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Annual report of the International Tribunal for the Law of the Sea for 2016

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I. Introduction

1. The present report of the International Tribunal for the Law of the Sea, which is submitted to the Meeting of States Parties under rule 6, paragraph 3(d), of the Rules of Procedure for Meetings of States Parties, covers the period from 1 January to 31 December 2016.

2. The Tribunal was established by the 1982 United Nations Convention on the Law of the Sea. It functions in accordance with the relevant provisions of parts XV and XI of the Convention, the Statute of the Tribunal (hereinafter "the Statute"), as contained in annex VI to the Convention, and the Rules of the Tribunal.

II. Organization of the Tribunal

3. The Tribunal is composed of 21 members, elected by the States Parties to the Convention in the manner provided for in article 4 of the Statute.

4. On 15 September 2016, Judge Cachapuz de Medeiros (Brazil) passed away. With his death, a vacancy has occurred in the Tribunal. Taking this change into account, as at 31 December 2016, the composition of the Tribunal was as follows:

Order of precedence	*Country*	*Date of expiry of term of office*
President		
Vladimir Vladimirovich Golitsyn	Russian Federation	30 September 2017
Vice-President		
Boualem Bouguetaia	Algeria	30 September 2017
Judges		
P. Chandrasekhara Rao	India	30 September 2017
Joseph Akl	Lebanon	30 September 2017
Rüdiger Wolfrum	Germany	30 September 2017
Tafsir Malick Ndiaye	Senegal	30 September 2020
José Luis Jesus	Cabo Verde	30 September 2017
Jean-Pierre Cot	France	30 September 2020
Anthony Amos Lucky	Trinidad and Tobago	30 September 2020
Stanislaw Pawlak	Poland	30 September 2023
Shunji Yanai	Japan	30 September 2023
James Kateka	United Republic of Tanzania	30 September 2023
Albert Hoffmann	South Africa	30 September 2023

Order of precedence	*Country*	*Date of expiry of term of office*
Zhiguo Gao	China	30 September 2020
Jin-Hyun Paik	Republic of Korea	30 September 2023
Elsa Kelly	Argentina	30 September 2020
David Joseph Attard	Malta	30 September 2020
Markiyan Z. Kulyk	Ukraine	30 September 2020
Alonso Gómez-Robledo Verduzco	Mexico	30 September 2023
Tomas Heidar	Iceland	30 September 2023

5. The Registrar of the Tribunal is Philippe Gautier (Belgium). The Deputy Registrar is Doo-young Kim (Republic of Korea).

A. Changes in the composition of the Tribunal

6. On 15 January 2016, at a Special Meeting of States Parties to the Convention, Judge Cachapuz de Medeiros was elected to fill the vacancy left by the resignation of Judge Vicente Marotta Rangel (Brazil) on 18 May 2015. Judge Cachapuz de Medeiros was elected for the period ending on 30 September 2017.

7. On 15 September 2016, Judge Cachapuz de Medeiros passed away, and subsequently, acting pursuant to article 6, paragraph 1, of the Statute, the Registrar, in a note verbale dated 4 November 2016, informed States parties to the Convention of the vacancy that had occurred at the Tribunal.

8. In the note verbale, the Registrar further informed the States parties that the election to fill the vacant seat would be held in June 2017, at the next triennial election of seven members of the Tribunal whose terms of office will expire on 30 September 2017.

B. Solemn declaration

9. Pursuant to article 11 of the Statute, every member of the Tribunal is required, before taking up his duties, to make a solemn declaration that he will exercise his powers impartially and conscientiously. The declaration is to be made at the first public sitting at which the member is present.

10. The solemn declaration provided for in article 5 of the Rules was made by Judge Cachapuz de Medeiros at a public sitting of the Tribunal on 7 March 2016.

C. Election of the Registrar

11. In accordance with article 32 of the Rules, the Registrar is elected from the candidates nominated by members of the Tribunal.

12. On 9 March 2016, the members re-elected Philippe Gautier (Belgium) Registrar of the Tribunal for a term of five years. Mr Gautier has been Registrar of the Tribunal since 2001. He was Deputy Registrar of the Tribunal from 1997 to 2001. He is a professor at the Catholic University of Louvain.

III. Chambers

A. Seabed Disputes Chamber

13. In accordance with article 35, paragraph 1, of the Statute, the Seabed Disputes Chamber consists of 11 judges selected by the Tribunal from among its elected members. The members of the Chamber are selected triennially and, as at 31 December 2016, the composition of the Chamber, in order of precedence, was as follows: Judge Jesus, President; Judges Akl, Ndiaye, Cot, Lucky, Pawlak, Yanai, Kateka, Paik, Kelly and Attard, members.

14. The terms of office of the members of the Chamber expire on 30 September 2017.

B. Special chambers

1. Special chamber under article 15, paragraph 2, of the Statute

15. Article 15, paragraph 2, of the Statute provides that the Tribunal shall form a chamber for dealing with a particular dispute, if the parties so request. The composition of such a chamber is determined by the Tribunal with the approval of the parties in the manner provided for in article 30 of the Rules.

16. During consultations held by the President of the Tribunal with representatives of Ghana and Côte d'Ivoire, a special agreement was concluded between the two States on 3 December 2014 to submit the dispute concerning the delimitation of their maritime boundary in the Atlantic Ocean to a special chamber of the Tribunal to be formed pursuant to article 15, paragraph 2, of the Statute. During the consultations, Ghana and Côte d'Ivoire conveyed their views regarding the composition of the special chamber of the Tribunal and this was recorded in the special agreement.

17. By an order dated 12 January 2015, the Tribunal decided to accede to the request of Ghana and Côte d'Ivoire to form a special chamber of five judges to deal with the case.

18. The composition of the Special Chamber to deal with the case is as follows: Vice-President Bouguetaia, President; Judges Wolfrum and Paik, Judges ad hoc Mensah and Abraham, members.

2. Chamber of Summary Procedure

19. The Chamber of Summary Procedure is established in accordance with article 15, paragraph 3, of the Statute and consists of five members and two alternates. In accordance with article 28 of the Rules, the President and the Vice-President of the Tribunal are ex officio members of the Chamber, with the President of the Tribunal serving as President of the Chamber.

20. The Chamber is constituted annually and, as at 31 December 2016, was composed, in order of precedence, as follows: Judge Golitsyn, President; Vice-President Bouguetaia and Judges Chandrasekhara Rao, Wolfrum and Jesus, members; Judges Cot and Attard, alternates.

3. Chamber for Fisheries Disputes

21. On 20 February 1997, the Tribunal established the Chamber for Fisheries Disputes in accordance with article 15, paragraph 1, of the Statute. On 8 March 2016, the Tribunal selected Judge Cachapuz de Medeiros as a member of the Chamber, of which Judge Marotta Rangel had been a member. On 15 September 2016, a vacancy occurred in the Chamber owing to the death of Judge Cachapuz de Medeiros. Taking this change into account, as at 31 December 2016, the composition of the Chamber, in order of precedence, was as follows: Judge Lucky, President; Judges Wolfrum, Ndiaye, Yanai, Kateka, Gao, Kulyk and Heidar, members.

22. The terms of office of the members of the Chamber expire on 30 September 2017.

4. Chamber for Marine Environment Disputes

23. On 20 February 1997, the Tribunal established the Chamber for Marine Environment Disputes in accordance with article 15, paragraph 1, of the Statute. As at 31 December 2016, the composition of the Chamber, in order of precedence, was as follows: Judge Kateka, President; Judges Pawlak, Hoffmann, Gao, Paik, Kelly, Attard, Kulyk and Gómez-Robledo, members.

24. The terms of office of the members of the Chamber expire on 30 September 2017.

5. Chamber for Maritime Delimitation Disputes

25. On 16 March 2007, the Tribunal established the Chamber for Maritime Delimitation Disputes in accordance with article 15, paragraph 1, of the Statute. As at 31 December 2016, the composition of the Chamber, in order of precedence, was as follows: Judge Golitsyn, President; Vice-President Bouguetaia and Judges Chandrasekhara Rao, Wolfrum, Ndiaye, Jesus, Yanai, Hoffmann, Gao, Gómez-Robledo and Heidar, members.

26. The terms of office of the members of the Chamber expire on 30 September 2017.

IV. Committees

27. During its forty-second session, on 4 October 2016, the Tribunal reconstituted its committees. They are composed as follows.[1]

[1] For the terms of reference of the committees, see: SPLOS/27, paras. 37-40; SPLOS/50, paras. 36-37; and SPLOS/136, para. 46.

A. Committee on Budget and Finance

28. The members of the Committee on Budget and Finance are: Judge Akl, Chairman; Judges Jesus, Lucky, Pawlak, Yanai, Hoffmann, Gao, Kelly and Kulyk, members.

B. Committee on Rules and Judicial Practice

29. The members of the Committee on Rules and Judicial Practice are: President Golitsyn, Chairman; Vice-President Bouguetaia, Judges Chandrasekhara Rao, Wolfrum, Ndiaye, Jesus (ex officio member as President of the Seabed Disputes Chamber), Cot, Pawlak, Yanai, Kateka, Hoffmann and Gómez-Robledo, members.

C. Committee on Staff and Administration

30. The members of the Committee on Staff and Administration are: Judge Paik, Chairman; Judges Wolfrum, Jesus, Lucky, Yanai, Attard and Heidar, members.

D. Committee on Library, Archives and Publications

31. The members of the Committee on Library, Archives and Publications are: Judge Wolfrum, Chairman; Judges Ndiaye, Pawlak, Paik, Kelly, Attard, Kulyk and Gómez-Robledo, members.

E. Committee on Buildings and Electronic Systems

32. The members of the Committee on Buildings and Electronic Systems are: Judge Kulyk, Chairman; Judges Cot, Lucky, Gao and Heidar, members.

F. Committee on Public Relations

33. The members of the Committee on Public Relations are: Judge Gao, Chairman; Judges Chandrasekhara Rao, Akl, Jesus, Kateka, Kelly, Gómez-Robledo and Heidar, members.

V. Meetings of the Tribunal

34. In 2016, judicial meetings of the Tribunal took place as follows:

The M/V "Norstar" Case (Panama v. *Italy)* (Preliminary objections)

Deliberations and a hearing took place from 19 to 29 September and from 25 October to 3 November 2016. The Tribunal delivered its judgment on preliminary objections on 4 November 2016.

35. The Tribunal also held two sessions devoted to legal and judicial matters as well as organizational and administrative matters: the forty-first session was held from 7 to 18 March 2016 and the forty-second from 4 to 15 October 2016.

36. The Tribunal decided to hold its forty-third session from 13 to 24 March 2017 in order to deal with legal matters having a bearing on the judicial work of the Tribunal and with organizational and administrative matters.

VI. Judicial work of the Tribunal

A. *The M/V "Norstar" Case (Panama v. Italy)*

37. On 17 December 2015, Panama filed an application with the Tribunal dated 16 November 2015 instituting proceedings against Italy in a dispute between the two States concerning the interpretation and application of the Convention "in connection with the arrest and detention by Italy of the *M/V Norstar*, an oil tanker registered under the flag of Panama".

38. In its application, Panama invoked, as the basis for the jurisdiction of the Tribunal, the declarations made by Panama and Italy under article 287 of the Convention. The case was entered in the list of cases of the Tribunal as case No. 25.

39. On 28 January 2016, the President held consultations with the representatives of the parties in order to ascertain their views with regard to questions of procedure in respect of the case.

40. On 3 February 2016, the President adopted an order fixing 28 July 2016 as the time limit for the filing of the memorial by Panama, and 28 January 2017 as the time limit for the filing of the counter-memorial by Italy.

41. Both Panama and Italy chose judges ad hoc pursuant to article 17 of the Statute and article 19 of the Rules. Mr. Gudmundur Eiriksson was chosen as judge ad hoc by Panama and Mr. Tullio Treves was chosen as judge ad hoc by Italy.

42. On 11 March 2016, within the time limit set by article 97, paragraph 1, of the Rules, Italy filed with the Tribunal "written preliminary objections under article 294, paragraph 3, of the Convention", in which Italy challenged "the jurisdiction of [the] Tribunal as well as the admissibility of Panama's claim".

43. Upon receipt of the preliminary objections by the Registry, pursuant to article 97, paragraph 3, of the Rules, the proceedings on the merits were suspended, as stated in the order of the Tribunal dated 15 March 2016.

44. By the same order, the Tribunal fixed 10 May 2016 as the time limit for the presentation by Panama of its written observations and submissions on the preliminary objections, and 9 July 2016 as the time limit for Italy to submit its written observations and submissions in reply. These pleadings were filed within the time limits so prescribed.

45. On 4 August 2016, the President adopted an order fixing 20 September 2016 as the date for the opening of the oral proceedings in respect of the preliminary objections.

46. On 22 August 2016, Panama filed a request for "a ruling concerning the scope of the subject matter based on the preliminary objections filed by Italy". Italy objected to this request in a letter dated 23 August 2016.

47. Having examined Italy's written pleadings, the Tribunal found that Italy, in its reply of July 2016, did not make any new objections but rather elaborated and developed the objections already contained in its preliminary objections filed on 11 March 2016.

48. The hearing took place from 20 to 22 September 2016. During the hearing the parties presented their oral statements at six public sittings.

49. In accordance with article 75, paragraph 2, of the Rules, the parties presented the following final submissions during the hearing:

On behalf of Italy:

> For the reasons given in its written preliminary objections dated 10 March 2016, in its written observations and submissions in reply to Panama's observations and submissions of 8 July 2016, and in the course of the present hearing, Italy request[s] that the International Tribunal for the Law of the Sea adjudge and declare that:
>
> (a) The Tribunal lacks jurisdiction with regard to the claim submitted by Panama in its application filed with the Tribunal on 17 December 2015;
>
> And/or that
>
> (b) The claim brought by Panama against Italy in the instant case is inadmissible.

On behalf of Panama:

> For the reasons explained in the application and the observations and during the oral hearings the Republic of Panama requests the International Tribunal for the Law of the Sea to adjudge and declare that:
>
> FIRST
>
> – the Tribunal has jurisdiction over this case;
>
> – the claim made by Panama is admissible; and
>
> SECOND, that as a consequence of the above declarations the written preliminary objections made by the Italian Republic under article 294, paragraph 3, of the Convention are rejected.

50. The Tribunal delivered its judgment on the preliminary objections on 4 November 2016.

51. The facts may be summarized as follows: from 1994 until 1998, the *M/V "Norstar"* was engaged in supplying gasoil to mega yachts in an area described by Panama as "international waters beyond the Territorial Sea of Italy, France and Spain" and by Italy as "off the coasts of France, Italy and Spain". On 11 August 1998, the Public Prosecutor at the Court of Savona, Italy, issued a decree of seizure against the *M/V "Norstar"* in the context of criminal proceedings against eight

individuals. The vessel was seized by the Spanish authorities at the request of Italy when anchored at the bay of Palma de Mallorca, Spain, in September 1998.

52. In support of its claim that the Tribunal had no jurisdiction, Italy invoked the "non-existence of a dispute concerning the interpretation or application of the Convention", the "lack of jurisdiction *ratione personae*" and "the failure by Panama to fulfil its obligations regarding an exchange of views under article 283 of the Convention". The Tribunal rejected these objections and found that it had jurisdiction to adjudicate upon the dispute.

53. In respect of Italy's objection based on the non-existence of a dispute, the Tribunal examined the communications sent to Italy concerning the detention of the *M/V "Norstar"*. It noted that "Panama, as the flag State of the *M/V "Norstar"*, contests the legality of the detention under the Convention" and that, except for one response issued by Italy, "[a]ll other communications ... remained unanswered" (see paras. 97 and 98). The Tribunal took the view that "the notes verbales and other communications sent to Italy and the silence of Italy indicate that in the present case there is a disagreement between the Parties on points of law and fact" (see para. 102). It concluded that "a dispute existed between the parties at the time of the filing of the application" (see para. 103). In order to ascertain whether the dispute between the parties concerned the interpretation or application of the Convention, the Tribunal examined "whether a link exists between the Decree of Seizure against the *M/V "Norstar"* for its activities on the high seas and the request for its execution by the Prosecutor at the Court of Savona, and any rights enjoyed by Panama under the articles of the Convention invoked by it" (see para. 111). In respect of the articles of the Convention invoked by Panama in its application, the Tribunal found that article 87 on the "Freedom of the high seas" and article 300 on "Good faith and abuse of rights" were relevant to the case.

54. With respect to Italy's objection based on lack of jurisdiction *ratione personae*, the Tribunal was of the view that the facts and circumstances of the case indicate that, while the arrest of the *M/V "Norstar"* "took place as a result of judicial cooperation between Italy and Spain, the decree of seizure and the request for its enforcement by Italy were central to the eventual arrest of the vessel" (para. 165). It noted that the detention carried out by Spain was part of the criminal investigation and proceedings conducted by Italy against the *M/V "Norstar"* and that Italy has held legal control over the *M/V "Norstar"* during its detention. The Tribunal found "that the dispute before it concerns the rights and obligations of Italy" and that, therefore, "Italy is the proper respondent to the claim made by Panama in these proceedings" (see paras. 167 and 168). It noted that its decision on jurisdiction and admissibility "does not require the prior determination of Spain's rights and obligations" and therefore it is not indispensable for Spain "to be a party to the present proceedings for the Tribunal to determine whether Italy violated the provisions of the Convention" (see para. 173).

55. As regards Italy's objection "based on the failure by Panama to fulfil its obligations regarding an exchange of views under article 283 of the Convention" (see para. 219), the Tribunal considered that "the absence of a response from one State party to an attempt by another State party to exchange views on the means of settlement of a dispute arising between them does not prevent the Tribunal from finding that the requirements of article 283 have been fulfilled" (see para. 215). It

found that "Panama was justified in assuming that to continue attempts to exchange views could not have yielded a positive result and that it had thus fulfilled its obligation under article 283 of the Convention" (see para. 217).

56. As regards the admissibility of Panama's application, Italy raised objections based on "the nationality of claims" and "the non-exhaustion of local remedies", as well as on "acquiescence, estoppel and extinctive prescription". The Tribunal rejected these objections and found that the application was admissible.

57. Regarding Italy's objection to the admissibility of Panama's application based on "the nationality of claims", the Tribunal, relying on previous jurisprudence, found that "the *M/V 'Norstar'*, flying the flag of Panama, is to be considered a unit and therefore the *M/V 'Norstar'*, its crew and cargo on board as well as its owner and every person involved or interested in its operations are to be treated as an entity linked to the flag State, irrespective of their nationalities" (see para. 231).

58. With respect to the objection of Italy based on "the non-exhaustion of local remedies", having concluded that articles 87 and 300 of the Convention are relevant, the Tribunal was of the view that "the right of Panama to enjoy freedom of navigation on the high seas is a right that belongs to Panama under article 87 of the Convention, and that a violation of that right would amount to a direct injury to Panama" (see para. 270). It considered that "the claim for damage to the persons and entities with an interest in the ship or its cargo arises from the alleged injury to Panama", concluding "[a]ccordingly ... that the claims in respect of such damage are not subject to the rule of exhaustion of local remedies" (see para. 271).

59. Regarding acquiescence, the Tribunal held that "at no stage has the conduct of Panama given scope to infer that it has abandoned its claim or acquiesced in the lapse of its claim" (see para. 304). As to estoppel, the Tribunal considered that "the main elements of estoppel have not been fulfilled in this case" (see para. 307). With respect to extinctive prescription, after noting that "neither the Convention nor general international law provides a time limit regarding the institution of proceedings before it" (see para. 311), the Tribunal found that "Panama has not failed to pursue its claim since the time when it first made it, so as to render the application inadmissible" (see para. 313).

60. After the adoption of the judgment on preliminary objections, on 29 November 2016, the President, having ascertained the views of the parties, adopted an order fixing 11 April 2017 as the time limit for the filing of the memorial of Panama and 11 October 2017 as the time limit for the filing of the counter-memorial of Italy.

B. *Dispute Concerning Delimitation of the Maritime Boundary between Ghana and Côte d'Ivoire in the Atlantic Ocean (Ghana/Côte d'Ivoire)*

61. During consultations held by the President of the Tribunal with representatives of Ghana and Côte d'Ivoire on 2 and 3 December 2014, a special agreement was concluded between the two States on 3 December 2014 to submit the dispute concerning the delimitation of their maritime boundary in the Atlantic Ocean to a special chamber of the Tribunal to be formed pursuant to article 15, paragraph 2, of the Statute. The special agreement was delivered to the Registry on 3 December 2014. The case was entered in the Tribunal's list of cases as case No. 23.

62. By order dated 12 January 2015, the Tribunal decided to accede to the request of the parties and constituted the Special Chamber as follows: Vice-President Bouguetaia, President; Judges Wolfrum and Paik and Judges ad hoc Mensah and Abraham, members. By the same order, the Tribunal decided that the written proceedings would consist of a memorial presented by Ghana and a counter-memorial presented by Côte d'Ivoire, and that the Special Chamber might authorize or direct the presentation of a reply by Ghana and a rejoinder by Côte d'Ivoire, if it so decided, at the request of a party or *proprio motu*, that these pleadings were necessary.

63. On 18 February 2015, the President of the Special Chamber held consultations with the representatives of the parties in order to ascertain their views with regard to questions of procedure.

64. On 24 February 2015, the President of the Special Chamber adopted an order fixing 4 September 2015 as the time limit for the filing of the memorial by Ghana, 4 April 2016 as the time limit for the filing of the counter-memorial by Côte d'Ivoire, and, should the Special Chamber find it necessary to authorize the presentation of a reply and a rejoinder, 4 July 2016 as the time limit for the filing of the reply by Ghana and 4 October 2016 as the time limit for the filing of the rejoinder by Côte d'Ivoire. The memorial and the counter-memorial were filed within the time limits so prescribed.

65. On 27 February 2015, Côte d'Ivoire filed a request for the prescription of provisional measures by the Special Chamber in accordance with article 290, paragraph 1, of the Convention. The Special Chamber delivered its order on 25 April 2015.

66. On 16 March 2016, the Special Chamber adopted an order authorizing the submission of a reply by Ghana and a rejoinder by Côte d'Ivoire and fixing 4 July and 4 October 2016, respectively, as the time limits for the filing of those pleadings.

67. Subsequently, by an order dated 25 April 2016, the President of the Special Chamber extended the time limits for the submission of the reply and the rejoinder to 25 July and 14 November 2016, respectively. The reply and the rejoinder were filed within the extended time limits.

68. On 15 December 2016, the President of the Special Chamber adopted an order fixing 6 February 2017 as the date for the opening of the oral proceedings in the case.

VII. Appointment of arbitrators by the President of the Tribunal pursuant to article 3 of annex VII to the Convention

69. In accordance with article 3 of annex VII to the Convention, if the parties to a dispute are unable to agree on the appointment of one or more members of the arbitral tribunal to be designated by common agreement, or on the designation of the president of the arbitral tribunal, the President of the Tribunal shall make the necessary appointments at the request of any party to the dispute and in consultation with the parties. If the President of the Tribunal is a national of one of the parties to the dispute, the appointment shall be made by the next senior member of the Tribunal who is available and is not a national of one of the parties.

70. Ukraine instituted arbitral proceedings under annex VII to the Convention against the Russian Federation by a notification of arbitration and statement of claim dated 14 September 2016. In its notification and statement of claim, Ukraine appointed Mr. Vaughan Lowe as arbitrator, in accordance with article 3, subparagraph (e), of annex VII, and the Russian Federation, by a note verbale, appointed President Golitsyn as arbitrator in accordance with article 3, subparagraph (e), of annex VII. By a letter dated 29 November 2016, Ukraine, pursuant to article 3, subparagraph (e), of annex VII, requested the Vice-President of the Tribunal to appoint three members of the arbitral tribunal to be constituted and to name one among them to serve as the president of the arbitral tribunal under annex VII. Further to consultations with the parties, on 22 December 2016, the Vice-President appointed Jin-Hyun Paik (Republic of Korea), Boualem Bouguetaia (Algeria) and Alonso Gómez-Robledo Verduzco (Mexico), as arbitrators, and Jin-Hyun Paik as President of the arbitral tribunal.

VIII. Legal matters

71. During the period under review, the Tribunal devoted part of its two sessions to the consideration of legal and judicial matters. In this respect, the Tribunal examined various legal issues of relevance to its jurisdiction, its Rules and its judicial procedures. This review was undertaken both by the Tribunal and by its chambers. Some of the main subjects considered are noted below.

A. Jurisdiction, Rules and judicial procedures of the Tribunal

1. Declarations made under articles 287 and 298 of the Convention

72. During the period under review, the Tribunal took note of the information presented by the Registry concerning the status of declarations made under articles 287 and 298 of the Convention.

2. Conciliation procedures under the Convention

73. During the period under review, the Tribunal considered, on the basis of an information paper prepared by the Registry, issues relating to compulsory and voluntary conciliation procedures under the Convention.

3. Rules of the Tribunal

74. During the period under review, the Tribunal examined issues relating to the publication on the website of the Tribunal of written responses from parties to questions posed by the Tribunal or individual judges in accordance with article 76 of the Rules, as well as of initial reports submitted by parties in provisional measures proceedings before the Tribunal, in accordance with article 95, paragraph 1, of the Rules.

B. Recent developments in law of the sea matters

75. During the period under review, the Tribunal considered reports prepared by the Registry concerning recent developments in law of the sea matters, including recent judgments in maritime delimitation cases.

C. Chambers

76. During the period under review, the Chambers of the Tribunal held meetings in which they considered reports prepared by the Registry on matters falling within the scope of their competence.

IX. Twentieth anniversary of the Tribunal

77. A solemn ceremony to mark the twentieth anniversary of the Tribunal took place on 7 October 2016 at the City Hall of Hamburg, Germany, during which statements were made by Ban Ki-moon, Secretary-General of the United Nations, Joachim Gauck, President of the Federal Republic of Germany, Olaf Scholz, First Mayor and President of the Senate of the Free and Hanseatic City of Hamburg, and Judge Vladimir Golitsyn, President of the Tribunal. The ceremony was attended by more than 500 guests. It was organized with the support of the Federal Republic of Germany and the Free and Hanseatic City of Hamburg.

78. The solemn ceremony was preceded by a two-day international symposium on "The contribution of the Tribunal to the rule of law" and a visit by the Secretary-General of the United Nations to the Tribunal. Over 150 participants, among them judges of the Tribunal, judges of the International Court of Justice and of other judicial institutions, academics, lawyers and counsel who have appeared before international courts and tribunals, attended the symposium. A webcast of the symposium, which was made possible through the financial support of the Government of Japan, is available on the website of the Tribunal (www.itlos.org/en/press-media/twentieth-anniversary-of-the-tribunal).

79. In addition, a round-table discussion on "The role of the Tribunal in the settlement of law of the sea disputes" was held in New York on 23 June 2016 during the twenty-sixth Meeting of States Parties. The round table was organized with the financial contribution of the Korea Maritime Institute.

X. Agreement on Privileges and Immunities

80. The Agreement on the Privileges and Immunities of the International Tribunal for the Law of the Sea, adopted by the seventh Meeting of States Parties on 23 May 1997, was deposited with the Secretary-General of the United Nations and opened for signature at United Nations Headquarters for 24 months as from 1 July 1997.[2] The Agreement entered into force on 30 December 2001, 30 days after the date of deposit of the tenth instrument of ratification or accession. At the closing date for

[2] SPLOS/24, para. 27.

signature, 21 States had signed the Agreement. As at 31 December 2016, 41 States had ratified or acceded to it.

XI. Relations with the United Nations

81. At the 55th plenary meeting of the seventy-first session of the United Nations General Assembly, on 7 December 2016, the President of the Tribunal delivered a statement under agenda item 73 (a), "Oceans and the law of the sea".[3] In his statement, the President highlighted the progress made by the Tribunal since its establishment in 1996, indicating that the cases brought before the Tribunal in recent years have enabled it to broaden and deepen its jurisprudence from the viewpoint of both substantial and procedural law. In this connection, the President cited one decision, delivered in 2016, in case No. 25. He also provided information on events commemorating the twentieth anniversary of the Tribunal, which were organized by the Tribunal and took place in New York and Hamburg, and reported on the various capacity-building programmes it had implemented.

82. Upon the proposal of the Tribunal, the twenty-fifth Meeting of States Parties authorized the Tribunal to subscribe to the Statute of the International Civil Service Commission (ICSC) with effect from 1 January 2016.[4] The Tribunal became a member of ICSC as of that date.

XII. Headquarters Agreement

83. The Headquarters Agreement between the Tribunal and the Government of the Federal Republic of Germany was signed on 14 December 2004. It defines the legal status of the Tribunal in Germany and regulates the relations between the Tribunal and the host country. In addition to its provisions, the terms and conditions under which the premises are made available to the Tribunal by the Federal Republic of Germany are established in the Agreement of 18 October 2000 between the Tribunal and the Government of the Federal Republic of Germany on the Occupancy and Use of the Premises of the International Tribunal for the Law of the Sea in the Free and Hanseatic City of Hamburg.

XIII. Finances

A. Budgetary matters

1. Budget of the Tribunal for 2017-2018

84. The budget proposals for 2017-2018, approved by the Tribunal at its forty-first session, were submitted to the twenty-sixth Meeting of States Parties. The proposals, involving an amount of €21,119,900, were based on an evolutionary approach and guided by the principle of zero growth.

[3] The text of the statement is available on the Tribunal's website: www.itlos.org (English) or www.tidm.org (French).

[4] SPLOS/288, para. 39.

85. The Meeting of States Parties adopted the budget for 2017-2018 in the amount of €21,119,900, as proposed by the Tribunal.

2. Report on budgetary matters for the financial periods 2013-2014 and 2015-2016

86. At its forty-first session, the Tribunal considered the report presented by the Registrar on budgetary matters for the financial periods 2013-2014 and 2015-2016. The report, which was submitted to the twenty-sixth Meeting of States Parties for its consideration,[5] included the following: information on the surrender of cash surplus for the financial period 2013-2014; the provisional performance report for 2015; and a report on action taken pursuant to the Financial Regulations and Rules of the Tribunal (the investments of the funds of the Tribunal, the trust fund for the law of the sea, the Nippon Foundation trust fund, the China Institute of International Studies trust fund and the twentieth anniversary trust fund).

3. Cash flow situation

87. At its forty-first and forty-second sessions, the Tribunal took note of the information presented by the Registrar concerning the cash flow situation of the Tribunal.

B. Status of contributions

88. As at 31 December 2016, 123 States parties had made contributions to the 2015-2016 budget, totalling €18,103,314, while 45 States parties had not made any payments with respect to their assessed contributions for 2015-2016. The balance of unpaid contributions with respect to the 2015-2016 budget was €714,286.

89. Furthermore, assessed contributions amounting to €296,911 in respect of the Tribunal's budgets for the financial periods 1996-1997 to 2013-2014 were still pending as at 31 December 2016.

90. The balance of unpaid contributions with respect to the overall budget of the Tribunal amounted to €1,011,197 as at 31 December 2016. In July 2016, the Registrar sent the States parties notes verbales concerning their assessed contributions, for 2017, to the Tribunal's 2017-2018 budget, including information about outstanding contributions to the previous budgets. In December 2016, the Registrar sent notes verbales to the States parties concerned, reminding them of their outstanding contributions to the budgets of the Tribunal.

C. Financial Regulations and Rules

91. The Financial Regulations of the Tribunal, adopted by the thirteenth Meeting of States Parties on 12 June 2003, became effective on 1 January 2004.[6]

92. The Financial Rules of the Tribunal were proposed by the Registrar pursuant to financial regulation 10.1(a). They were approved by the Tribunal, at its seventeenth session, and submitted to the fourteenth Meeting of States Parties for its

[5] See SPLOS/295.

[6] Financial Regulations, regulation 14.1.

consideration. The Meeting took note of the Financial Rules of the Tribunal, which, according to rule 114.1, became effective on 1 January 2005.[7]

93. Pursuant to financial regulation 12.1, the twenty-sixth Meeting of States Parties appointed BDO as the Auditor for the financial periods 2017-2018 and 2019-2020.

D. Trust funds and donations

94. On the basis of General Assembly resolution 55/7 on "Oceans and the law of the sea", adopted on 30 October 2000, a voluntary trust fund has been established by the Secretary-General to assist States in connection with disputes to be settled by the Tribunal. According to information provided by the Division for Ocean Affairs and the Law of the Sea of the Office of Legal Affairs of the United Nations Secretariat, the financial statements of the trust fund showed a balance of $142,551 as at 31 December 2016.

95. In 2007, the Nippon Foundation provided a grant to fund the participation of fellows in a capacity-building and training programme on dispute settlement under the Convention. A trust fund was established by the Registrar for this purpose, pursuant to regulation 6.5 of the Financial Regulations of the Tribunal. For the period 2007-2016, the Nippon Foundation made 10 contributions to the grant. As at 31 December 2016, the balance of total reserves stood at €350,449.

96. In 2010, pursuant to a decision of the Tribunal at its twenty-eighth session, the Registrar established a trust fund for the law of the sea, of which the terms of reference were adopted by the Tribunal and submitted for consideration to the twentieth Meeting of States Parties. The trust fund is intended to promote the development of human resources in developing countries with respect to the law of the sea and maritime affairs in general. Contributions made to the trust fund are used to provide applicants from developing countries with financial assistance to enable them to participate in the Tribunal's internship programme and the summer academy. States, intergovernmental organizations and agencies, national institutions, non-governmental organizations and international financial institutions, as well as natural and juridical persons, are invited to make voluntary financial or other contributions to the trust fund. Seven contributions to the trust fund, in the following amounts, have been made so far to support the internship programme: €25,000 in April 2010 by a company from the Republic of Korea and operating in Hamburg; and six contributions of €15,000 each by the Korea Maritime Institute, in October 2011, December 2012, October 2013, December 2014, December 2015 and December 2016. In August 2014 and August 2015, the Korea Maritime Institute made additional contributions to the fund, in the amounts of €20,000 and €31,000, respectively, to be used for the regional workshop held in Nairobi and in Bali, Indonesia. As at 31 December 2016, the balance of total reserves stood at €31,915.

97. In 2012, the China Institute of International Studies provided a grant, in the amount of €100,000, to finance training activities of the Tribunal, including regional workshops, and to provide grants to participants from developing countries in the internship programme and the summer academy. A trust fund was established by the

[7] The Financial Regulations and Rules of the Tribunal are contained in document SPLOS/120.

Registrar for this purpose, pursuant to regulation 6.5 of the Financial Regulations of the Tribunal. As at 31 December 2016, the balance of total reserves stood at €15,542.

98. In 2015, at its fortieth session, the Tribunal approved the terms of reference for a new trust fund, which has been established by the Registrar pursuant to regulation 6.5 of the Financial Regulations of the Tribunal. This trust fund is intended to finance events and activities organized by the Tribunal for the purpose of celebrating its twentieth anniversary and disseminating information on its role in the settlement of disputes relating to the law of the sea. Two contributions to the trust fund, in the following amounts, have been made: €109,443 from the Government of Japan and €50,000 from the Korea Maritime Institute. As at 31 December 2016, the balance of total reserves stood at €28,047.

XIV. Administrative matters

99. During the period under review, the committees of the Tribunal considered various administrative matters within the scope of their activities. Reference to some of the matters considered is made in the subsequent paragraphs.

A. Staff Regulations and Staff Rules

100. During the period under review, the Tribunal approved the recommendations of the Committee on Staff and Administration to adopt amendments to the Staff Regulations of the Tribunal concerning the salary scale for staff in the Professional and higher categories. The amendments were intended to ensure compatibility of the Staff Regulations of the Tribunal with the United Nations common system of salaries, allowances and benefits, pursuant to regulation 12.6 of the Staff Regulations.

101. In addition, during the period under review, in the light of the recommendation of the Committee on Staff and Administration, the Tribunal took note of the proposed amendments to the Staff Rules of the Tribunal concerning retirement age, repatriation grant, assignment grant, excess baggage and unaccompanied shipments, removal and non-removal and loss of entitlement to unaccompanied shipment or removal expenses. Pursuant to regulations 12.2, 12.3 and 12.4 of the Staff Regulations, the amendments to the Staff Rules, which had been provisional, entered into full force and effect on 1 January 2017.

B. Staff recruitment

102. In 2016, the Tribunal recruited staff members for the posts of Senior Translator/Reviser — Head of Linguistic Services (P-5), Associate Legal Officer (P-2), Linguistic Assistant/Judiciary Support (G-6), Administrative Assistant (G-5) and Personal Assistant (Deputy Registrar) (G-5).

103. At the end of 2016, recruitment was in progress for the posts of Personal Assistant (President) (G-6) and Administrative Assistant (Finance) (G-6).

104. A list of the staff members of the Registry as at 31 December 2016 is contained in annex I to the present report.

105. Temporary personnel were recruited to assist the Tribunal during its forty-first and forty-second sessions and during the hearings and deliberations in case No. 25 (preliminary objections).

106. The staff of the Registry consists of 38 staff members, of whom 18 are in the Professional and higher categories. The recruitment of staff members in the Professional category, excluding language staff, is subject to the principle of equitable geographical distribution, in accordance with regulation 4.2 of the Staff Regulations. This regulation provides:

> The paramount consideration in the appointment, transfer or promotion of the staff shall be the necessity for securing the highest standards of efficiency, competence and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible.
>
> Taking into account the small number of staff in the Registry of the Tribunal, a flexible regional approach has been followed in this regard.

107. The Tribunal has taken steps to ensure that vacancy announcements are disseminated in such a way as to recruit staff on as wide a geographical basis as possible. Information on vacancies is transmitted to the embassies in Berlin of the States parties to the Convention, and to the permanent missions in New York. The information is also posted on the Tribunal's website and published in the press.

108. Although the principle of geographical distribution does not apply to the recruitment of General Service staff, the Tribunal has also made efforts to recruit General Service staff on as wide a geographical basis as possible.

C. Staff Pension Committee

109. Further to the proposal of the Tribunal, the sixteenth Meeting of States Parties decided that a Staff Pension Committee should be established with the following composition: (a) one member and one alternate member to be chosen by the Meeting; (b) one member and one alternate member to be appointed by the Registrar; and (c) one member and one alternate member to be elected by the staff. The term of office of members and alternates is three years.

110. The twenty-sixth Meeting of States Parties adopted a decision extending the nominations of Indonesia as a member and Canada as an alternate member of the Staff Pension Committee for a three-year term of office starting on 1 July 2016 (SPLOS/302).

D. Language classes at the Tribunal

111. English and French classes for Registry staff members were held in 2016.

XV. Buildings and electronic systems

A. Building arrangements and new requirements

112. During the period under review, in cooperation with the Federal Building Authorities of Germany, several improvements were made to the Tribunal's equipment and systems, in particular as concerns the glass facade, the sunshade system and security equipment.

B. Use of the premises and public access

113. The following events took place on the premises of the Tribunal during 2016:

(a) Seminar of the managing directors of the *Verband Deutscher Reeder* (German Shipowners' Association) in the first floor meeting room of the Villa Schröder, 23 March 2016;

(b) Seminar of the Federal Maritime and Hydrographic Agency in the rotunda conference room, 27 April 2016;

(c) International Foundation for the Law of the Sea summer academy, 24 July to 19 August 2016;

(d) IFLOS International Symposium 2016, commemorating the twentieth anniversary of the International Tribunal for the Law of the Sea and the tenth consecutive session of the International Foundation for the Law of the Sea summer academy, 5 August 2016.

114. In addition, some 1,500 visitors took part in organized tours of the premises of the Tribunal in 2016.

XVI. Library, archives and publications

115. During the forty-first and forty-second sessions, the Registrar submitted reports on the Library collections, an integrated library management system and on the status of publications.

116. A list of donors to the Library is contained in annex II to the present report.

117. During the period under review, the following volumes were published:

(a) *ITLOS Reports of Judgments, Advisory Opinions and Orders 2015, Vol. 15*

(b) *ITLOS Pleadings, Minutes of Public Sittings and Documents 2014, Vol. 21*

(c) *ITLOS Pleadings, Minutes of Public Sittings and Documents 2015, Vol. 22*

(d) *ITLOS Yearbook 2014, Vol. 18*

(e) *ITLOS Yearbook 2015, Vol. 19.*

XVII. Public relations

118. During the period under review, the Committee on Public Relations gave consideration to a set of measures to disseminate information on the work of the Tribunal, including the celebration of the twentieth anniversary of the Tribunal and participation by representatives of the Tribunal at international legal meetings. The Tribunal publicized its work by means of its website, press releases and briefings by the Registry and through the distribution of its judgments, orders and publications.

119. The website can be accessed at the following addresses: www.itlos.org (English) and www.tidm.org (French). The texts of judgments and orders of the Tribunal and verbatim records of hearings are available on the website, together with other information about the Tribunal.

XVIII. Capacity-building activities

A. Internship programme

120. The internship programme of the Tribunal, which was established in 1997, is designed to give participants the opportunity to gain an understanding of the work and functions of the Tribunal. Since 2004 funding has been available for applicants from developing countries to assist them in covering the costs incurred for travel to Hamburg and for participation in the programme. From 2004 to 2012, this financial assistance was paid from a trust fund established through a grant provided by the Korea International Cooperation Agency. In 2012 the China Institute of International Studies provided the Tribunal with a grant to support the internship programme. In 2012, the Tribunal also established the "International Tribunal for the Law of the Sea Trust Fund", which is currently used to provide financial assistance to interns. Contributions to the Fund have been received from Korwind and from the Korea Maritime Institute.

121. As at the end of 2016, a total of 326 interns from 94 States had participated in the programme, with 133 interns benefiting from funding.

122. During 2016, 16 persons from 14 different States (Argentina, China, Costa Rica, the Democratic Republic of the Congo, France, the Netherlands, the Philippines, Senegal, South Africa, Trinidad and Tobago, Tunisia, Ukraine, the United Kingdom of Great Britain and Northern Ireland and Viet Nam) served as interns at the Tribunal.

123. Information on the programme and an online application form are available from the Tribunal's websites: www.itlos.org (English) and www.tidm.org (French).

B. Capacity-building and training programme

124. In 2016, for the tenth time, a capacity-building and training programme on dispute settlement under the Convention was conducted with the support of the Nippon Foundation. The Nippon Foundation Grant was set up in 2007 to provide capacity-building and training to fellows and assist them in covering the costs

incurred by participating in the programme. During the programme, participants attend lectures on topical issues related to the law of the sea and maritime law and training courses on negotiation and delimitation. They also visit institutions working in the fields of law of the sea, maritime law and dispute settlement (inter alia, the International Court of Justice and the International Maritime Organization). At the same time, participants carry out individual research on selected topics. Information about the programme can be obtained from the Registry or from the Tribunal's websites: www.itlos.org (English) and www.tidm.org (French).

125. Nationals of Cambodia, Cameroon, the Democratic Republic of the Congo, Portugal and Thailand are participating in the 2016-2017 programme (July 2016-March 2017).

C. Summer academy

126. The International Foundation for the Law of the Sea held its tenth summer academy at the Tribunal's premises from 24 July to 19 August 2016. The academy focused on "Uses and Protection of the Sea — Legal, Economic and Natural Science Perspectives". Lectures given by judges of the Tribunal as well as experts, practitioners, representatives of international organizations and scientists on issues relating to the law of the sea and maritime law were attended by 37 participants from 34 different countries.

Annex I

List of the staff members of the Registry as at 31 December 2016

Professional and higher categories

Name	*Title*	*Country of nationality*	*Level of post*	*Level of incumbent*
Gautier, Philippe	Registrar	Belgium	ASG	ASG
Kim, Doo-young	Deputy Registrar	Republic of Korea	D-2	D-2
Hinrichs, Ximena	Senior Legal Officer/Head of Legal Office	Chile	P-5	P-5
Guy, Pauline	Senior Translator/Reviser — Head of Linguistic Services	United Kingdom	P-5	P-5
Savadogo, Louis	Legal Officer	Burkina Faso	P-4	P-4
Mizerska-Dyba, Elzbieta	Head of Library and Archives	Poland	P-4	P-4
Gaba Kpayedo, Kafui	Head of Personnel, Building and Security	Togo	P-4	P-4
Füracker, Matthias	Legal Officer	Germany	P-4	P-4
Gaultier, Léonard	Translator/Reviser (French)	France	P-4	P-4
Ritter, Roman	Head of Budget and Finance	Germany	P-4	P-3
Gbadoe, Alfred	Information Technology Officer	Germany	P-3	P-3
Rostan, Jean-Luc	Translator (French)	France	P-3	P-3
Saab, Yara	Legal Officer	Lebanon	P-3	P-3
***Ritter**, Julia	Press Officer	United Kingdom	P-2	P-2
****Jimenez Sanchez**, Rosa	Associate Archivist	Spain	P-2	P-2
Buergers-Vereshchak, Svitlana	Associate Administrative Officer (Contributions/Budget)	Ukraine	P-2	P-2
Vorbeck, Antje	Associate Administrative Officer (Personnel)	Germany	P-2	P-2
Burke, Naomi	Associate Legal Officer	Ireland	P-2	P-2

Total posts: 18

* The post of Press Officer is occupied 50 per cent by the incumbent of the post, Ms. Ritter. The remaining 50 per cent is currently occupied by Mr. Benjamin Benirschke on the basis of a temporary appointment.

** Ms. Jimenez Sanchez is on special leave until 13 July 2017. The post is currently occupied by Ms. Anna Sobczak on the basis of a temporary appointment.

General Service

Name	*Title*	*Country of nationality*	*Level of post*	*Level of incumbent*
Bothe, Andreas	Building Coordinator	Germany	G-7	G-7
Egert, Anke	Publications/Personal Assistant (Registrar)	Germany	G-7	G-7
Winkelmann, Jacqueline	Administrative Assistant (Procurement)	Germany	G-7	G-7
Mba, Patrice	Information Systems Assistant	Cameroon	G-7	G-7
Albiez, Berit	Linguistic Assistant/Judiciary Support	Germany	G-7	G-7
Vacant	Personal Assistant (President)		G-7	
Naegler, Thorsten	Finance Assistant	Germany	G-6	G-6
Karanja, Elizabeth	Administrative Assistant	Kenya	G-6	G-6
Koch, Béatrice	Legal Assistant	France	G-6	G-6
Bartlett, Emma	Personnel Assistant	United Kingdom	G-6	G-6
Heim, Svenja	Library Assistant	Germany	G-6	G-6
Rakotomalala, Brigitte	Linguistic Assistant/Judiciary Support	France	G-6	G-6
Vacant	Administrative Assistant (Finance)		G-6	
Fusiek, Christoph	Finance Assistant (Accounts Payable)	Germany	G-5	G-5
Marzahn, Inga	Administrative Assistant	Germany	G-5	G-5
Fislage, Sylvie	Personal Assistant (Deputy Registrar)	France	G-5	G-4
Banerjee, Mita	Administrative Assistant	Germany	G-5	G-4
Duddek, Sven	Senior Security Officer/Building Superintendent	Germany	G-4	G-4
Aziamble, Papagne	Administrative Support/Driver	Togo	G-4	G-4
Ntinugwa, Chuks	Security Officer/Driver	Germany	G-3	G-3

Total posts: 20

Annex II

List of donors to the Library of the International Tribunal for the Law of the Sea as at 31 December 2016

Levan Aleqsidze, Ivane Javakhishvili Tbilisi State University, Tbilisi

Brill Publishing House, Leiden, the Netherlands

British Institute of International and Comparative Law, London

Bundesamt für Seeschifffahrt und Hydrographie, Hamburg, Germany

Division for Ocean Affairs and the Law of the Sea of the United Nations, New York

GEOMAR Helmholtz Centre for Ocean Research, Kiel, Germany

International Seabed Authority, Kingston

Japan Branch of the International Law Association, University of Tokyo, Faculty of Law, Tokyo

Seokwoo Lee, Inha University Law School, Incheon, Republic of Korea

Mare, Die Zeitschrift der Meere, Hamburg, Germany

Max-Planck-Institut für ausländisches öffentliches Recht und Völkerrecht, Heidelberg, Germany

Ministry of Foreign Affairs, Singapore

Northwest Atlantic Fisheries Organization, Dartmouth, Canada

Juan Emilio Oviedo Cabañas, Tribunal Permanente de Revisión MERCOSUR, Asunción

Judge Antônio Augusto Cançado Trindade, International Court of Justice, The Hague, the Netherlands

Walther-Schücking-Institut für Internationales Recht an der Universität Kiel, Germany

World Trade Organization, Geneva

Meeting of States Parties

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Report of the external auditor for the financial period 2015-2016, with financial statements of the International Tribunal for the Law of the Sea as at 31 December 2016

(Presented by the Tribunal)

1. Ernst & Young GmbH Wirtschaftsprüfergesellschaft (hereinafter "the Auditor") audited the financial statements of the International Tribunal for the Law of the Sea for the financial period from 1 January 2015 to 31 December 2016 in January 2017 and submitted its report on 9 March 2017 (see annex). An audit of certain aspects of the Tribunal's operational procedures was also undertaken by the Auditor, as indicated in the letter of engagement of 16 August 2012, signed by the Registrar.

2. It is noted from the report that the Auditor was of the view that the financial statements of the Tribunal for the period from 1 January 2015 to 31 December 2016 had been prepared, in all material respects, in accordance with the Financial Regulations and Rules of the Tribunal.

3. Financial regulation 12.8 stipulates that "the Tribunal shall examine the financial statements and the audit reports and shall forward them to the Meeting of States Parties, with such comments as it deems appropriate".

* SPLOS/L.78.

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Annex

Report of the external auditor for the financial period 2015-2016, with financial statements of the International Tribunal for the Law of the Sea as at 31 December 2016

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Note: Owing to rounding differences, figures in tables and cross-references may differ slightly from the actual figures (units of currency, percentages, etc.).

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I. Audit engagement

At the twenty-second Meeting of States Parties to the United Nations Convention on the Law of the Sea, held from 4 to 11 June 2012, we were appointed as auditors of the International Tribunal for the Law of the Sea, Hamburg. Thereupon, the Registrar of the Tribunal engaged us to audit the Tribunal's financial statements for the period from 1 January 2015 to 31 December 2016 in accordance with the Financial Regulations and Rules of the Tribunal. Our audit did not cover appendices2, 3 and 4, but we have read that information to identify material inconsistencies, if any, with the audited financial statements.

For information on the engagement terms and liability provisions applicable to this engagement and the restrictions on distribution and use of our reporting, please see the explanations in the auditor's report as well as the "General engagement terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (Public Audit Firms)" dated 1 January 2002 (see appendix VII).

Our reporting beyond the scope of the auditor's report complies with the Generally Accepted Standards for the Issuance of Long-Form Audit Reports for the Audits of Financial Statements (IDW AuS 450) issued by the Institute of Public Auditors in Germany.

The present report is addressed to the Tribunal.

II. Purpose, nature and scope of the audit

A. Purpose of the audit

During our audit engagement, we examined whether the financial statements, comprising the statement of income, expenditures and changes in reserves and fund balances, the statement of assets, liabilities, reserves and fund balances, the cash flow statement and the notes to the financial statements, complied with the Financial Regulations and Rules of the Tribunal.

Assessment criteria for our audit of the financial statements were the Financial Regulations and Rules of the Tribunal.

Prior to accepting the engagement, we had to assess, on the basis of our knowledge and understanding at that time, whether the accounting principles to be applied (basis of accounting) were reasonable under the circumstances. To do so, we had to obtain an understanding of:

(a) The purpose of the financial statements;

(b) The users of the financial statements;

(c) Which steps the legal representatives had taken to determine whether the accounting principles to be used were reasonable under the circumstances.

Our preliminary conclusion that the basis of accounting used for preparing and auditing the financial statements was reasonable under the circumstances (IDW AuS 480, sect. 15) was confirmed in the course of our audit.

The Registrar is responsible for the books and records, the accounting-related internal control system, the preparation of the financial statements in accordance with the basis of accounting, including an understandable and accurate presentation and/or appropriate description of the basis of accounting, as well as the explanations and documents provided to us. It is our responsibility to assess those documents and that information during our audit performed in accordance with professional standards.

B. Nature and scope of the audit

Our audit was performed in accordance with the German generally accepted standards for the audit of financial statements as issued by the Institute of Public Auditors in Germany.

Those standards require that we plan and perform the audit to provide reasonable assurance that the books and records and the financial statements do not contain any significant inaccuracies or infringements.

The object of our audit of the financial statements is therefore to identify such inaccuracies and infringements of the basis of accounting which might materially affect the presentation of the financial statements.

The basis of our audit methodology, which is risk and process oriented, is the development of an audit strategy. This strategy is based on the assessment of the economic and legal environment of the Tribunal, its goals, strategies and business risks, which we evaluate with the help of critical success factors. The subsequent examination of the accounting-related internal control system and its effectiveness is supported by process analyses. These are performed at regular intervals, especially in the case of organizational changes or changes in policy. The aim is to determine the impact of such changes on relevant financial statement items and hence to evaluate business risks and our audit risk. Findings from the analysis of processes and the accounting-related internal control system were taken into account in choosing the analytical procedures (plausibility tests) and substantive testing of assets and liabilities, recognition, disclosure and valuation in the financial statements. The audit programme, which is specifically tailored to the Tribunal, determines the key elements of the audit, the nature and scope of audit procedures as well as the timing and staffing of the audit. This approach is based on the principles of risk assessment and materiality. We therefore reached our auditor's report primarily on a test basis.

Our audit programme for the reporting years focused on the following:

- Analysis of the process related to the preparation of the financial statements
- Design, implementation and effectiveness of the internal controls in the processes relating to contributions and expenditures
- Contribution receivables from States Parties
- Contributions received in advance
- Surrender of savings from prior years
- Current-period obligations

- Major expenditures

We also performed the following standard audit procedures:

- We received bank confirmations from financial institutions.

We were provided with all the explanations and supporting documents requested. In a letter of representation submitted to us, the Registrar confirmed the completeness of those explanations and documents and of the books and records and the financial statements.

III. Findings on the financial reporting

A. Prior-year financial statements

The prior-period financial statements were presented by the Registrar at the twenty-third Meeting of States Parties, from 8 to 12 June 2015.

B. Basis of valuation

Regarding the applied basis of valuation, reference is made to the explanation of the Tribunal in the notes to the financial statements.

IV. Findings from audit procedures of additional audit scope for the period from 1 January 2015 to 31 December 2016

The examination of the operational procedures, including the administration of the Nippon Foundation grant, the Trust Fund for the Law of the Sea, the China Institute of International Studies grant and the Trust Fund for the twentieth anniversary of the Tribunal did not lead to material findings. We refer to our audit procedures and results in appendix VI.

V. Independent Auditor's report

To the International Tribunal for the Law of the Sea

We have audited the accompanying financial statements of the International Tribunal for the Law of the Sea, Hamburg, which comprise the statement of income, expenditures and changes in reserve and fund balances, statement of assets, liabilities, reserves and fund balances, statements of cash flows and notes to the financial statements, for the period from 1 January 2015 to 31 December 2016.

Management's responsibility for the financial statements

Management is responsible for the preparation of the financial statements in accordance with the Financial Regulations and Rules of the International Tribunal for the Law of the Sea and for such internal control as management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of the financial statements in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the International Tribunal for the Law of the Sea, Hamburg, for the period from 1 January 2015 to 31 December 2016 are prepared, in all material respects, in accordance with the Financial Regulations and Rules of the International Tribunal for the Law of the Sea.

Accounting principles as well as restrictions on disclosure and use

Without qualifying our opinion, we draw attention to the Financial Regulations and Rules of the Tribunal for the Law of the Sea (see www.un.org/Depts/los/meeting_states_parties/SPLOS_documents.htm#Other) relating to the financial statements, which describe the basis of accounting. The financial statements are prepared to support the Registrar in meeting its accountability obligations according to the Financial Regulations and Rules. As a result, the financial statements may not be suitable for another purpose. Our auditor's report is exclusively addressed to the Tribunal and may not be distributed to or used by third parties without our consent.

Limitation of liability

The "General engagement terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (Public Audit Firms)", as issued by the Institute of Public Auditors in Germany on 1 January 2002 (see appendix VII),

are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement.

Hamburg, 22 February 2017

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

(*Signed*) (Kreninger)
Wirtschaftsprüferin
(German Public Auditor)

(*Signed*) (Schnitger)
Wirtschaftsprüferin
(German Public Auditor)

Appendix I

Financial statements of the International Tribunal for the Law of the Sea

Statement of income, expenditures and changes in reserves and fund balances for the period from 1 January 2015 to 31 December 2016

	Note	*2015-2016 (in euros)*	*2013-2014 (in euros)*
Income			
Assessed contributions	3	18 814 162	21 239 120
Other income			
Savings due to cancellation of prior-period obligations		41 977	49 644
Gains and losses on exchange		(15 157)	(18 394)
Miscellaneous income		12 176	11 199
Interest income		2 401	15 266
Total income		**18 855 559**	**21 296 835**
Expenditures	4		
Total expenditures and obligations		(18 662 719)	19 241 443
Excess of income over expenditures		**192 840**	**2 055 392**
Final excess of income over expenditures		**192 840**	**2 055 392**
Movement in reserves			
Release of 2007-2008 reserves			
Surrender to States parties in 2009-2010		(1 837 669)	(879 051)
Increase in Working Capital Fund		–	350 000
Total in movement in reserves		**(1 644 829)**	**1 526 341**
Fund balances at beginning of financial period		4 984 322	3 457 981
Fund balances as at 31 December 2014		**3 339 493**	**4 984 322**

Statement of assets, liabilities, reserves and fund balances as at 31 December 2016

	Note	31 Dec. 2016 (in euros)	31 Dec. 2014 (in euros)
Assets			
Cash and term deposits		6 829 040	5 656 054
Contributions receivable from States parties		1 011 197	1 479 049
Tax reimbursements due		49 999	151 790
Accounts receivable — others		76 005	148 170
Prepaid expenses		26 180	13 069
Total assets		**7 992 421**	**7 448 132**
Liabilities	7		
Contributions received in advance		2 436 580	1 508 736
Surrender of savings from prior years		1 850 161	542 374
Current-period obligations		336 044	412 646
Staff assessment special account		41	54
Accounts payable		30 102	0
Total liabilities		**4 652 928**	**2 463 810**
Net assets		**3 339 493**	**4 984 322**
Reserves and fund balances	8		
Working Capital Fund		1 309 132	1 309 132
Prior-period gains reserve		1 837 521	1 619 798
Excess of income over expenditures		192 840	2 055 392
Total reserves and fund balances		**3 339 493**	**4 984 322**
Total reserves		**3 339 493**	**4 984 322**

Statement of cash flows for the biennium 2015-2016

	2015-2016 (in euros)	*2013-2014 (in euros)*
Cash flows from operating activities		
Net excess (shortfall) of income over expenditures	192 840	2 055 392
(Increase) decrease in contributions receivable	467 852	(443 795)
(Increase) decrease in tax reimbursements due	101 791	(62 883)
(Increase) decrease in other accounts receivable	72 165	44 361
(Increase) decrease in prepaid expenses	(13 111)	(13 069)
Increase (decrease) in current-period obligations	(76 602)	(180 736)
Increase (decrease) in contributions received in advance	927 844	(1 034 907)
Increase (decrease) in accounts payable	30 102	(17 030)
Less: interest income	(2 401)	(15 266)
Net cash from operating activities	**1 700 480**	**332 067**
Cash flows from investing and financing activities		
Plus: interest income	2 401	15 266
Net cash from operating, investing and financing activities	**1 702 881**	**347 333**
Cash flows from other sources		
Increase (decrease) in Working Capital Fund	–	350 000
Increase (decrease) in prior-period gains reserve	(1 837 669)	(879 051)
Increase (decrease) in surrender of savings from prior years	1 307 774	(1 343 101)
Net increase (decrease) in cash and term deposits	**1 172 986**	**(1 524 819)**
Cash and term deposits at beginning of period	**5 656 054**	**7 180 873**
Cash and term deposits at end of period	**6 829 040**	**5 656 054**

Notes to the financial statements for the period from 1 January 2015 to 31 December 2016

Note 1
Statement of the objectives and activities of the Tribunal

The International Tribunal for the Law of the Sea is an international judicial body established by the United Nations Convention on the Law of the Sea to adjudicate disputes arising out of the interpretation or application of the Convention. It began its activities in 1996. The Tribunal is open to States parties to the Convention and, in certain cases, to entities other than States parties (such as international organizations and natural or juridical persons). The jurisdiction of the Tribunal comprises all disputes submitted to it in accordance with the Convention. It also extends to all matters specifically provided for in any other agreement which confers jurisdiction upon the Tribunal. The Tribunal is composed of 21 independent members elected by the States parties to the Convention. It is assisted by a Registry consisting of 38 staff members.

Note 2
Summary of significant accounting policies

On 12 June 2003, the thirteenth Meeting of States Parties adopted the Financial Regulations of the Tribunal and decided that they should become effective on 1 January 2004 and apply to the financial period 2005-2006 and subsequent financial periods (SPLOS/100). Pursuant to financial regulation 10.1 (a), the Tribunal adopted its Financial Rules in 2004. The States parties took note of the Financial Rules at their fourteenth Meeting in 2004. The Financial Rules became effective on 1 January 2005.

Financial period

Pursuant to financial regulation 2, the financial period which is the subject of the present report is the two-year period from 1 January 2015 to 31 December 2016.

Currency of accounts

Pursuant to financial regulation 11.2, the presentation currency is the euro. The accounting records are also maintained in euros.

Foreign currency transactions

Transactions in currencies other than the euro are converted into the euro using the United Nations operational rates of exchange, except for assessed contributions paid in United States dollars. For the contributions paid in United States dollars, the conversion into euros is made at the most favourable rate of exchange available to the Tribunal on the date of the payment, in accordance with financial rule 105.2.

The differences in exchange rates which may occur between the date of recording and the date of settling the transactions are recorded in the statement of income, expenditures and changes in reserves and fund balances as gains or losses on exchange.

Assets and liabilities in currencies other than the euro are revalued at the end of the financial period at the prevailing United Nations operational rates of exchange. The revaluation amounts are recorded in the statement of income, expenditures and changes in reserves and fund balances as gains or losses on exchange.

Income

Income consists of assessed contributions from the States parties. Contributions for the two-year financial period are assessed as 50 per cent in year one and 50 per cent in year two. All other income received by the Tribunal is classified as miscellaneous income and is included as general resources (see note 3).

Expenditures

All the expenditures of the Tribunal are recorded against allocated lines of budgetary appropriation.

Expenditures of the Tribunal are accounted for on an accrual basis, except for those relating to staff entitlements, which are accounted for on the basis of cash disbursements. No provision is made for any future liabilities arising from staff entitlements due to repatriation, accumulated annual leave and compensatory time and from pension entitlements of the members of the Tribunal (see note 5).

Assets and liabilities

All funds received are deposited into the Tribunal's bank accounts, including those under special account arrangements, and are reflected as cash holdings. Non-expendable equipment (especially computer hardware and software) is not included in the assets but is charged against the current appropriations when acquired. A separate listing of non-expendable equipment is maintained for control purposes. Assets are valued at nominal value. Liabilities are valued at the repayment amount.

Working Capital Fund

The eighth Meeting of States Parties, held in 1998, authorized the establishment of a working capital fund to ensure continuity of operation in the event of temporary shortfalls in funds, and to provide the Tribunal with the necessary financial means to dispose of cases, in particular those involving urgent proceedings (see SPLOS/70).

The current amount of the Working Capital Fund available to the Tribunal is €542,118, which was converted from US$ 650,000 in November 2003 in accordance with the Financial Regulations of the Tribunal.

The current level of €542,118 represents 2.87 per cent of the approved budget of the Tribunal for 2015-2016. In line with the United Nations practice, an amount of approximately 8 per cent of the annual budget (4 per cent of the Tribunal's biennial budget) is considered appropriate. In the case of the Tribunal an adequate level in the Working Capital Fund would then be €755,448 (4 per cent of the biennial budget). However, to minimize increases in the 2015-2016 budget and in the light of an additional amount appropriated to the Working Capital Fund to cover unforeseen case-related expenses, as detailed in the paragraph below, no increase of

the Working Capital Fund was included in the budget proposals for 2015-2016 submitted to the Meeting of States Parties in 2014.

In addition to the amount of US$ 650,000 referred to above, the twelfth Meeting of States Parties, held in 2002, approved, on an exceptional basis, the appropriation of US$ 500,000 (being part of the savings from the financial period 2001) to the Working Capital Fund of the Tribunal, in order to provide the Tribunal with the necessary financial means, in the event of temporary shortfalls in funds, to deal with cases whenever the cost could not be met from case-related costs or from the transfer of funds between appropriation sections (SPLOS/L.28). This amount was converted into €417,014 in November 2005, in accordance with the Financial Regulations of the Tribunal.

In June 2014, at their twenty-fourth meeting, the States parties decided, on an exceptional basis, to transfer an amount of €350,000 from the 2011-2012 cash surplus to the Working Capital Fund, to cover the cost of considering cases that cannot be met from the funds allocated for case-related costs (SPLOS/275). The total Working Capital Fund currently stands at €1,309,132.

Note 3
Income

The Tribunal's income in the financial period 2015-2016 totalled €18,855,559.

Income includes assessed contributions from 168 States parties (including the European Union) totalling €18,814,162.

Total income also includes:

(a) Interest income of €2,401 earned on deposit accounts;

(b) Savings due to the cancellation of prior-period obligations, in the amount of €41,977;

(c) A net loss of €15,157 from gains and losses on exchange resulting from foreign currency transactions and revaluations of foreign currency account balances;

(d) Net miscellaneous income of €12,176, which includes contributions from two new States parties in the amount of €3,438, in accordance with financial rule 107.1., sales of the Tribunal's ties and pens, refunds from the gas and water suppliers, a refund for overtime worked during a seminar, non-refundable value added tax (tax amount less than €25), a contribution in the amount of €2,923, which could not be identified during a previous financial period, and losses in petty cash in the amount of €560.

Note 4
Expenditure

The budget for the financial period 2015-2016, in the amount of €18,886,200, was approved by the twenty-fourth Meeting of States Parties in June 2014 (SPLOS/275). In accordance with the decision adopted by the twenty-fourth Meeting of States Parties, the Tribunal decided at its thirty-ninth session to achieve additional savings in the amount of €68,600 under recurrent expenditure of the 2016

budget. Accordingly, the final 2015-2016 budget of the Tribunal amounts to €18,817,600.

Budget estimates for staff salaries and judges' allowances were based on the United States dollar/euro exchange rate of 0.731 in March 2014. By the end of the financial period, the exchange rate between the United States dollar and the euro was 0.956. This represents a decrease of 23.54 per cent in the value of the euro against the United States dollar. However, this had no significant impact on most of the expenditure of the Tribunal, since most of the expenditures were made in euros, and payments to judges and staff members were subject to an adjustment mechanism which has the effect of largely absorbing the fluctuations of the United States dollar against the euro. The appropriations for the judges' pension scheme and for representation allowance were calculated by using the United States dollar as reference currency. Thus the overexpenditure under these two budget lines can be explained by the strong appreciation of the United States dollar against the euro in the financial period 2015-2016.

Expenditure for the financial period 2015-2016 totalled €18,662,719.

The total expenditure recorded in section 1, "Judges", amounts to €4,161,553.

This amount is within the initial appropriation of €4,246,100 for section 1, "Judges". Overexpenditures, however, occurred in the budget line "annual allowance".

The overexpenditure under "annual allowance" in the amount of €68,172 is due mainly to the fact that two judges whose term of office ended on 30 September 2014 continued to sit in case No. 21 until 2 April 2015 in accordance with the Rules of the Tribunal. During that period those two judges received annual allowance while the payment of their pension was suspended. Another factor which explains the overexpenditure is the fact that the remuneration of judges was increased twice during the financial period concerned, in 2015 and in 2016.

The above-mentioned overexpenditure, totalling €68,172, was fully absorbed by the redeployment of appropriations within the section "Judges". As a result, the section shows a final balance of €84,547.

As regards the pensions of the members of the Tribunal under section 2, "Judges' pension scheme", it should be noted that pensions are fixed in United States dollars, without any post adjustment mechanism. The appreciation of the dollar against the euro therefore has a direct effect on the budget performance. In addition, a member of the Tribunal resigned in May 2015 and the resulting pension obligation for the period from May 2015 to December 2016 was not provided for in the 2015-2016 budget.

Section 4, "Representation allowance", which is based on an amount calculated in United States dollars, shows an overexpenditure of €2,617 which is entirely due to the depreciation of the euro against the dollar during the financial period.

The budget for part C, "Case-related costs", was based on the holding of meetings in respect of case No. 21 from January to April 2015 and two urgent cases. During the 2015-2016 financial period, however, the Tribunal was able to deal,

within the budget appropriation, with case No. 21, two urgent cases (cases Nos. 23 and 24) and preliminary objections in case No. 25.

It may be noted that, while the budget appropriations provided for judges ad hoc for only two urgent cases, judges ad hoc were nominated by the parties in cases Nos. 23, 24 and 25. This explains the overexpenditure of €12,972 in the budget line "compensation to judges ad hoc" under section 11, "Judges".

In addition, the budget line "temporary assistance for meetings" under section 12, "Staff costs", shows an overexpenditure of €213,726, which is mainly due to the volume of translation work, in particular for case No. 23, having been higher than anticipated, and the fact that the budget was calculated on the basis of three cases, while the Tribunal dealt with four cases during the financial period.

The overexpenditures detailed above were absorbed by making transfers between appropriation sections under financial regulation 4.6, in accordance with the authorization given to the Registrar by the twenty-sixth Meeting of States Parties (see SPLOS/301).

Note 5
Contingent liability

A net contingent liability for staff benefits at 31 December 2016, amounting to €580,010, consists of the following:

Contingent liability	*Amount (in euros)*
Accumulated annual leave	274 180
Entitlement due to repatriation	305 830
Total	**580 010**

All contingent expenditures are charged against the budget appropriations in the period when actual payments are made. A record of all commitments for future periods, which are to constitute the first charges against relevant appropriations once these are approved by the Meeting of States Parties, is maintained in the financial statements. In accordance with the Staff Regulations and Rules of the Tribunal, the contingent liability reflected above is based on net remuneration.

In addition to the above-mentioned contingent liabilities, there is a liability for pension scheme costs for the elected members of the Tribunal. However, these expenditures are charged against the budget appropriations in the period when actual payments are made.

Note 6
Accounts receivable

Contributions receivable from States parties as at 31 December 2016 total €1,011,197, as detailed below. The amount overdue from assessed contributions for the financial period 2015-2016 totals €714,286.

The Tribunal has maintained its collection efforts, resulting in a reduction of overdue balances with respect to the financial periods 1996-1997 to 2013-2014. The amount of outstanding contributions for the financial periods 1996-1997 to 2013-2014 currently stands at €296,911, which is €1,182,138 less than the amount of €1,479,049 registered at 31 December 2014.

Year of assessment	*31 December 2016 amount (in euros)*	*31 December 2014 amount (in euros)*
1996/97	5 780	5 877
1998	1 410	1 499
1999	1 910	2 913
2000	6 049	7 855
2001	6 958	8 861
2002	7 192	9 101
2003	4 883	6 138
2004	4 135	5 455
2005	8 359	10 908
2006	10 277	13 432
2007	13 209	16 697
2008	13 993	17 463
2009	14 898	18 646
2010	20 143	24 524
2011	29 027	194 675
2012	35 510	260 470
2013	50 442	289 195
2014	62 736	585 339
2015	73 179	
2016	641 107	
Total	**1 011 197**	**1 479 049**

"Tax reimbursements due", amounting to €49,999, represent mainly refunds of value added tax.

Accounts receivable under other heads, amounting to €76,005, include educations grant advances (€39,774), salary advances (€5,219), amounts due from the German authorities (premises agreement) (€24,887) and some minor miscellaneous charges (€6,125).

Prepaid expenses in the amount of €26,180 are payments made towards the end of the year 2016 which relate to the 2017-2018 budget of the Tribunal. Accordingly, these expenses will be charged against the provision of the 2017-2018 budget in January 2017 and will be cleared from the receivables items.

Note 7
Liabilities

The liabilities of the Tribunal as at 31 December 2016 include:

(a) Contributions received in advance from States parties for the budget period 2017-2018 (€2,436,580);

(b) Savings from the 2005-2006 financial period, amounting to €1,603, which will be surrendered once the States parties concerned have contributed in full for the financial period 2005-2006 (SPLOS/180);

(c) Savings amounting to €4,373 from the 2007-2008 financial period, which will be surrendered once the States parties concerned have contributed in full for the financial period 2007-2008 (SPLOS/203 and SPLOS/217);

(d) Savings amounting to €4,597 from the 2009-2010 financial period, which will be surrendered once the States parties concerned have contributed in full for the financial period 2009-2010 (SPLOS/250);

(e) Savings amounting to €1,919 from the 2011-2012 financial period, which will be surrendered and deducted from the contributions of the States parties to the 2015 budget (SPLOS/275);

(f) Savings amounting to €1,837,669 from the 2013-2014 financial period that were surrendered and deducted from the contributions of the States parties to the year 2017 (SPLOS/275);

(g) Obligations arising from goods and services procured in the financial period 2015-2016 (€336,044);

(h) The remaining amount (€41) from the staff assessment special account;

(i) Accounts payable totalling €30,102.

All savings from prior years and withholdings from staff assessment will be surrendered once the contributions of the States parties concerned for the respective financial periods have been paid in full in accordance with the Financial Regulations of the Tribunal.

Note 8
Funds and reserves

The Working Capital Fund currently stands at €1,309,132. This corresponds to the equivalent euro amount of the appropriation decided by the eleventh, twelfth and twenty-fourth Meetings of States Parties (SPLOS/70, SPLOS/89 and SPLOS/275). As reported to the Meeting of States Parties in June 2006, this sum was converted from US$ 1,150,000 to €959,132 in November 2005. In addition, and in accordance with the decision of the twenty-fourth Meeting of States Parties, an amount of €350,000 was transferred, on an exceptional basis, to the Working Capital Fund to cover the cost of considering cases to the extent that the expenditure cannot be met from the case-related costs (SPLOS/275).

The prior-period gains and reserves stand at €1,837,521 and represent excess income over expenditure from previous financial periods, 2005-2006 to 2013-2014, in accordance with regulation 4 of the Financial Regulations of the Tribunal.

The initial reserve balance at 1 January 2015 was €2,055,392 (savings from the 2013-2014 budget). Following an interim audit which confirmed the final cash surplus in the amount of €1,837,669, the cash surplus was surrendered and deducted from the assessed contributions of the States Parties for 2017 (see SPLOS/301).

Appendix II

Financial report for the period from 1 January 2015 to 31 December 2016

Introduction

1. The Registrar of the International Tribunal for the Law of the Sea submits herewith the financial report for the financial period 1 January 2015 to 31 December 2016, being the fourteenth financial period and report.

2. The financial report includes: the statement of income, expenditure and changes in reserves and fund balances for the period from 1 January 2015 to 31 December 2016; the statement of assets, liabilities, reserves and fund balances as of 31 December 2016; the statement of cash flows for the biennium 2015-2016; the performance report for the period 2015-2016; and the status of contributions to the International Tribunal for the Law of the Sea for the period 1996-2016. The statement of income, expenditures and changes in reserves and fund balances, the statement of assets, liabilities, reserves and fund balances and the statement of cash flows are provided in order to facilitate the review of the report by States parties. The statements are in compliance with the Tribunal's Financial Regulations and Rules and are in line with formats agreed for the harmonization of the accounts of agencies and organizations in the United Nations common system. The financial report shows the financial results of the Tribunal's activities in 2015 and 2016. Elements of particular importance are summarized in the following paragraphs.

3. The cash balance of €6,829,040 as at 31 December 2016 represents an increase compared with the cash balance at the end of 2014, which stood at €5,656,054. This increase resulted from a decrease in the amount of contributions receivable on the one hand and an increase in the amount of contributions paid in advance on the other hand.

Income

4. Income in the financial period 2015-2016 included assessed contributions amounting to €18,814,162 from 168 States Parties (including the European Union). Of the total amount of contributions for the financial period 2015-2016, €714,286 is outstanding as at 31 December 2016. The balance of unpaid contributions with respect to the overall budget of the Tribunal (1996-1997 to 2015-2016) amounted to €1,011,197 on that date. In addition, other net income from various sources, such as interest income, miscellaneous income and the cancellation of prior-period obligations after adjustments for exchange rate losses, totalled €41,397.

5. The Tribunal has maintained its efforts to collect outstanding contributions, resulting in a reduction of overdue balances with respect to the previous budgets of the Tribunal. However, by the end of 2016, the following amounts were still pending: €5,780 for 1996/97; €1,410 for 1998; €1,910 for 1999; €6,049 for 2000; €6,958 for 2001; €7,192 for 2002; €4,883 for 2003; €4,135 for 2004; €8,359 for 2005; €10,277 for 2006; €13,209 for 2007; €13,993 for 2008; €14,898 for 2009; €20,143 for 2010; €29,027 for 2011; €35,510 for 2012 €50,442 for 2013 and €62,736 for 2014. The balance of unpaid contributions with respect to the overall budgets of the Tribunal (1996-1997 to 2015-2016) therefore amounts to €1,011,197.

No provision for doubtful accounts receivable for the overdue balances is envisaged under the Tribunal's Financial Regulations and Rules.

Expenditure

6. The expenditures of the Tribunal for the financial period 2015-2016 totalled €18,662,719, which corresponds to 99.18 per cent of the budget for the period (€18,817,600). This performance can be explained by the optimum use of resources in a period of increased judicial workload. It may be noted that, during the financial period 2015-2016, the Tribunal continued its consideration of case No. 21 and delivered its advisory opinion in that case on 2 April 2015. On 27 February 2015, Côte d'Ivoire submitted to the special chamber a request for the prescription of provisional measures in case No. 23 in accordance with article 290, paragraph 1, of the Convention. The special chamber delivered its order on 25 April 2015. On 21 July 2015, Italy submitted to the Tribunal a request for the prescription of provisional measures under article 290, paragraph 5, of the Convention in respect of a dispute with India concerning the Enrica Lexie incident. The case was entered in the Tribunal's list of cases as case No. 24. The Tribunal issued its order in the case on 24 August 2015. On 17 December 2015, Panama filed with the Tribunal an application in a dispute with Italy regarding the arrest and detention of the M/V *Norstar*, a Panamanian-flagged vessel. The case was entered in the Tribunal's list of cases as case No. 25. On 11 March 2016, Italy filed with the Tribunal preliminary objections to the jurisdiction of the Tribunal and the admissibility of Panama's claim. The public hearing on Italy's preliminary objections were held from 20 to 22 September 2016, and the Tribunal delivered its judgment on 4 November 2016.

7. Under section 1, "Judges", savings amounting to €84,547 were made. The savings were achieved mainly in the budget line "special allowances" owing to the decrease of the daily subsistence allowance for Hamburg from €322 to €277 as at 1 November 2014, while the budget was based on the rate of €322 in effect in March 2014.

8. Under section 2, "Staff costs", savings amounting to €197,077 were made. The savings were achieved mainly in the budget line "established posts" owing to the vacant positions in the Registry during the 2015-2016 financial period.

9. Under Part C, "Case-related costs", section 11, "Judges", savings amounted to €278,156. These savings were made in the budget lines "special allowances" and "travel to meetings, including judges ad hoc".

10. The savings under section 11 of Part C resulted largely from the fact that case No. 23 was submitted to a special chamber of the Tribunal consisting of five members, while the budget appropriations were based on an urgent case submitted to the full Tribunal. The savings were also due to the reduction of the daily subsistence allowance for Hamburg (see para. 7 above).

11. Savings under the budget line "travel to meetings, including judges ad hoc" were due to the fact that case No. 23 was dealt with by a special chamber of five members not by the full Tribunal. Savings also resulted from the scheduling of judicial meetings of the Tribunal in conjunction with the regular meetings of the Tribunal on non-judicial matters.

12. The performance rate of the 2015-2016 budget stands at 99.18 per cent.

Surrender of savings

13. In accordance with the decision of the Meeting of States Parties in June 2016 (see SPLOS/301), an amount of €1,837,669 corresponding to savings relating to the 2013-2014 financial period was surrendered and deducted from the assessed contributions of the States Parties for 2017, in accordance with regulation 4 of the Financial Regulations of the Tribunal.

Special accounts

14. The Nippon Foundation grant was established in March 2007, following the signature of the Nippon Foundation grant agreement. Pursuant to the Agreement, the Foundation contributed an amount of €200,000 to the International Tribunal for the Law of the Sea capacity-building and training programme on dispute settlement under the United Nations Convention on the Law of the Sea. In accordance with regulation 6.5 of the Financial Regulations of the Tribunal, a trust fund was subsequently established and a special euro bank account named "Nippon Foundation grant" was set up with Deutsche Bank.

15. The Nippon Foundation made a second contribution to the Grant in the amount of €200,000 in March 2008, a third in the same amount in March 2009 and seven more contributions in the amount of €230,000 each in March 2010, March 2011, March 2012, March 2013, March 2014, March 2015 and March 2016. At the beginning of the financial period 2015-2016, the total reserves of the trust fund amounted to €267,224. At 31 December 2016 the balance of total reserves was €350,449. The audited financial statement for the Nippon Foundation grant will be circulated at the Meeting of States Parties in June 2017.

16. Pursuant to regulation 6.5 of its Financial Regulations, the Tribunal established a trust fund for the law of the sea in October 2009. The Trust Fund is intended to promote the advancement of human resources in developing countries in the law of the sea and maritime affairs in general. The first contribution to the Trust Fund, in the amount of €25,000, was made in 2010 by Korwind, a Hamburg-based Korean company working in the field of renewable energy. Subsequent contributions from the Korea Maritime Institute were made in October 2011 (€15,000), December 2012 (€15,000), October 2013 (€15,000), August 2014 (€20,000) and December 2014 (€15,000), July 2015 (€20,000), October 2015 (€11,000), December 2015 (€15,000) and December 2016 (€15,000). Since July 2012, the Trust Fund has been used to support the Tribunal's internship programme and provide financial assistance to interns from developing countries. The Trust Fund was also used to finance a regional workshop held in Bali, Indonesia, in August 2015. As at 31 December 2016, the balance of total reserves stood at €31,915. The audited financial statement for the Trust Fund will be circulated at the Meeting of States Parties in June 2017.

17. Following the signing of a memorandum of understanding between the Tribunal and the China Institute of International Studies (CIIS) on 3 May 2012, a trust fund — designated as the CIIS grant — was set up to support the Tribunal's internship programme, the Summer Academy of the International Foundation for the Law of the Sea and other projects including regional workshops. As at 31 December

2016, the balance of total reserves was €15,542. The audited financial statement for the CIIS Grant will be circulated at the Meeting of States Parties in June 2017.

18. The "Trust Fund for the twentieth anniversary of the Tribunal" was set up as a fund to provide financial assistance for the organization of events and activities on the occasion of the twentieth anniversary of the Tribunal in 2016. Contributions from the Korea Maritime Institute in the amount of €25,000 on 24 May 2016 and in the amount of €25,000 on 4 July 2016, from the Government of Japan in the amount of €109,443 on 28 July 2016 and from the Government of Germany in the amount of €7,000 on 6 December 2016 were received. As at 31 December 2016, the balance of total reserves was €28,047. The audited financial statement for the Trust Fund will be circulated at the Meeting of States Parties in June 2017.

Institutional arrangements

19. The financial records of the Tribunal have been maintained in the network version of the Sun computerized accounting system.

(*Signed*) Philippe **Gautier**
Registrar

Appendix III

Budget performance report for the period 2015-2016 as at 31 December 2016

(In euros)

	Part section	Objects of expenditure	2015-2016 approved budget	2015 expenditure (as at 31/12/2015)	2016 disbursement (as at 31/12/2016)	2015-2016 total expenditure (as at 31/12/2016)	Balance	Total expenditure as a percentage of approved budget
1	A	**Recurrent expenditure**						
2	**1**	**Judges**	4 246 100	2 067 246	2 094 307	4 161 553	**84 547**	
3	1.1	Annual allowances	3 008 300	1 544 732	1 531 740	3 076 472	(68 172)	102.27
4	1.2	Special allowances	917 900	381 743	419 824	801 567	116 333	87.33
5	1.3	Travel to session	274 600	132 906	134 368	267 274	7 326	97.33
6	1.4	Common costs	45 300	7 865	8 375	16 240	29 060	35.85
7	**2**	**Judges' pension scheme**	**967 800**	**614 392**	**648 673**	**1 263 065**	**(295 265)**	
8	2.1	Pension in payment	967 800	614 392	648 673	1 263 065	(295 265)	130.51
9	**3**	**Staff costs**	**7 533 900**	**3 518 622**	**3 818 201**	**7 336 823**	**197 077**	
10	3.1	Established posts	5 085 200	2 402 424	2 496 441	4 898 865	186 335	96.34
11	3.2	Common staff costs	2 045 000	945 222	1 098 205	2 043 427	1 573	99.92
12	3.3	Overtime	25 000	11 436	13 315	24 751	249	99.00
13	3.4	Temporary assistance for meetings	197 900	97 482	98 988	196 470	1 430	99.28
14	3.5	General temporary assistance	107 900	35 293	69 493	104 786	3 114	97.11
15	3.6	Training	72 900	26 765	41 759	68 524	4 376	94.00
16	**4**	**Representation allowance**	**11 100**	**6 867**	**6 850**	**13 717**	**(2 617)**	**123.58**
17	**5**	**Official travel**	**180 300**	**78 908**	**89 074**	**167 982**	**12 318**	**93.17**
18	**6**	**Hospitality**	**14 300**	**8 329**	**5 706**	**14 035**	**265**	**98.15**
19	**7**	**Operating expenditures**	**2 888 000**	**1 262 164**	**1 537 538**	**2 799 702**	**88 298**	
20	7.1	Maintenance of premises (including security)	2 159 000	1 003 439	1 153 144	2 156 583	2 417	99.89
21	7.2	Rental and maintenance of equipment	355 600	135 303	191 217	326 520	29 080	91.82
22	7.3	Communications	189 200	63 283	78 829	142 112	47 088	75.11
23	7.4	Miscellaneous services and charges (including bank charges)	41 000	14 709	16 630	31 339	9 661	76 44
24	7.5	Supplies and materials	122 400	45 430	76 918	122 348	52	99.96
25	7.6	Special services (external audit)	20 800	0	20 800	20 800	0	100.00
26	**8**	**Library and related costs**	**320 000**	**136 866**	**182 052**	**318 918**	**1 082**	

	Part section	Objects of expenditure	2015-2016 approved budget	2015 expenditure (as at 31/12/2015)	2016 disbursement (as at 31/12/2016)	2015-2016 total expenditure (as at 31/12/2016)	Balance	Total expenditure as a percentage of approved budget
27	8.1	Library — procurement of books and publications	242 000	111 681	129 926	241 607	393	99.84
28	8.2	External printing and binding	78 000	25 185	52 126	77 311	689	99.12
29								
30	**B**	**Non-recurrent expenditure**						
31	**9**	**Furniture and equipment**						
32	9.1	Purchase of equipment	154 800	22 066	129 069	151 135	3 665	97.63
33	**10**	**Alteration to premises**	**0**	**0**	**0**	**0**	**0**	0
34								
35	**C**	**Case-related costs**	**2 501 300**	**1 723 107**	**712 685**	**2 435 792**	**65 508**	
36	**11**	**Judges**	**1 889 700**	**1 092 300**	**519 244**	**1 611 544**	**278 156**	
37	11.1	Special allowances	1 468 500	855 306	421 197	1 276 503	191 997	86.93
38	11.2	Compensation to judges ad hoc	110 800	67 755	56 017	123 772	(12 972)	111.71
39	11.3	Travel to meetings including judges ad hoc	310 400	169 239	42 030	211 269	99 131	68.06
40	**12**	**Staff costs**	**611 600**	**630 807**	**193 441**	**824 248**	**(212 648)**	
41	12.1	Temporary assistance for meetings	577 800	603 560	187 966	791 526	(213 726)	136.99
42	12.2	Overtime	33 800	27 247	5 475	32 722	1 078	96.81
43								
44		**Total**	**18 817 600**	**9 438 155**	**9 224 155**	**18 662 719**	**154 881**	**99.18**

Appendix IV

Status of the 1996-2016 contributions to the International Tribunal for the Law of the Sea

(In euros)

31 December 2016

		Contributions assessed					Contributions outstanding			
States parties	*2016 scale of assessments (percentage)*	*Previous financial periods (1996-2012)*	*Last financial period 2013-2014*	*Current financial period[a] 2015-2016*	*Total[b]*	*Collections*	*Previous financial periods[b] (1996-2012)*	*Last financial period (2013-2014)*	*Current financial period (2015-2016)*	*Total outstanding[c]*
Albania	0.0135	8 457	2 806	2 512	13 775	12 524	0	0	1 251	1 251
Algeria	0.1846	143 570	37 192	34 421	215 183	215 187	0	0	0	(4)
Angola	0.0135	12 855	2 806	2 512	18 173	15 729	0	0	2 443	2 443
Antigua and Barbuda	0.0100	10 552	2 104	1 865	14 521	15 385	0	0	0	(864)
Argentina	0.5821	1 069 637	101 095	108 538	1 279 270	1 279 285	0	0	0	(15)
Armenia	0.0100	8 065	2 104	1 865	12 034	12 898	0	0	0	(864)
Australia	2.7948	2 552 202	562 383	521 082	3 635 667	3 916 150	0	0	0	(280 483)
Austria	1.[illegible]754	1 360 654	231 267	200 493	1 792 414	1 873 808	0	0	0	(81 394)
Azerbaijan	0.0539	0	0	2 502	2 502	0	0	0	2 502	2 502
Bahamas	0.0229	23 121	4 909	4 271	32 301	33 847	0	0	0	(1 547)
Bahrain	0.0526	42 204	10 943	9 799	62 946	62 947	0	0	0	(1)
Bangladesh	0.0135	11 945	2 806	2 512	17 263	16 002	0	0	1 260	1 260
Barbados	0.0108	13 578	2 245	2 010	17 833	17 930	0	0	0	(98)
Belarus	0.0755	21 196	13 770	14 070	49 036	47 845	0	0	1 191	1 191
Belgium	1.3449	1 529 224	290 716	250 742	2 070 682	2 070 741	0	0	0	(59)
Belize	0.0100	10 417	2 104	1 865	14 386	15 250	0	0	0	(864)
Benin	0.0100	9 909	2 104	1 865	13 878	4 662	5 248	2 104	1 865	9 217
Bolivia (Plurinational State of)	0.0121	12 197	2 328	2 261	16 786	15 660	0	0	1 126	1 126
Bosnia and Herzegovina	0.0229	12 742	4 354	4 271	21 367	21 368	0	0	0	(1)
Botswana	0.0229	19 436	4 909	4 271	28 616	17 415	2 021	4 909	4 271	11 201
Brazil	3.9538	2 267 196	639 671	737 152	3 644 019	3 287 499	0	0	356 520	356 520
Brunei Darussalam	0.0350	41 901	7 572	6 533	56 006	59 435	0	0	0	(3 429)

States parties	2016 scale of assessments (percentage)	Contributions assessed: Previous financial periods (1996-2012)	Last financial period 2013-2014	Current financial period[a] 2015-2016	Total[b]	Collections	Contributions outstanding: Previous financial periods[c] (1996-2012)	Last financial period (2013-2014)	Current financial period (2015-2016)	Total outstanding[d]
Bulgaria	0.0633	37 636	11 939	11 809	61 384	61 386	0	0	0	(2)
Burkina Faso	0.0100	7 035	2 104	1 865	11 004	10 721	0	0	283	283
Cameroon	0.0162	15 236	3 228	3 015	21 479	18 349	0	114	3 015	3 129
Canada	4.0211	3 057 574	868 233	749 714	4 675 521	4 675 698	0	0	0	(177)
Cape Verde	0.0100	10 486	2 104	1 865	14 455	11 590	0	1 000	1 865	2 865
Chad	0.0100	3 324	2 104	1 865	7 293	5 834	0	0	1 459	1 459
Chile	0.4501	274 939	80 119	83 916	438 974	438 985	0	0	0	(11)
China	6.9373	3 113 691	1 172 647	1 293 408	5 584 746	6 598 874	0	0	0	(1 014 128)
Comoros	0.0100	10 417	2 104	1 865	14 386	94	10 323	2 104	1 865	14 292
Congo	0.0100	4 184	2 104	1 865	8 153	5 288	0	1 000	1 865	2 865
Cook Islands[e]	0.0100	10 417	2 104	1 865	14 386	14 343	0	0	43	43
Costa Rica	0.0512	39 859	10 107	9 547	59 513	60 350	0	0	0	(836)
Côte d'Ivoire	0.0148	14 599	2 948	2 764	20 311	20 310	0	0	0	(0)
Croatia	0.1698	81 398	31 330	31 657	144 385	144 389	0	0	0	(5)
Cuba	0.0930	70 262	19 638	17 336	107 236	108 601	0	0	0	(1 366)
Cyprus	0.0633	60 687	13 049	11 809	85 545	90 472	0	0	0	(4 927)
Czech Republic	0.5202	346 022	103 174	96 980	546 176	546 198	0	0	0	(23)
Democratic Republic of the Congo	0.0100	11 376	2 104	1 865	15 345	94	11 282	2 104	1 865	15 251
Denmark	0.9096	709 120	197 865	169 591	1 076 576	992 112	0	0	84 464	84 464
Djibouti	0.0100	10 417	2 104	1 865	14 386	4 281	6 136	2 104	1 865	10 105
Dominica	0.0100	10 417	2 104	1 865	14 386	2 189	8 228	2 104	1 865	12 197
Dominican Republic	0.0606	15 299	12 210	11 306	38 815	1 364	13 935	12 210	11 306	37 451
Ecuador	0.0593	1 333	11 791	11 054	24 178	24 172	0	0	6	6
Egypt	0.1806	137 900	32 049	33 667	203 616	203 622	0	0	0	(7)
Equatorial Guinea	0.0135	10 000	2 528	2 512	15 040	11 758	0	770	2 512	3 282
Estonia	0.0539	19 572	11 224	10 050	40 846	45 226	0	0	0	(4 381)
European Union[f]	n.a.	991 544	192 000	170 730	1 354 274	1 354 274	0	0	0	0
Fiji	0.0100	10 825	2 104	1 865	14 794	14 458	0	0	336	336

States parties	2016 scale of assessments (percentage)	Contributions assessed				Collections	Contributions outstanding			
		Previous financial periods (1996-2012)	Last financial period 2013-2014	Current financial period[a] 2015-2016	Total[b]		Previous financial periods[b] (1996-2012)	Last financial period (2013-2014)	Current financial period (2015-2016)	Total outstanding[c]
Finland	0.6994	839 457	152 150	130 396	1 122 003	1 173 062	0	0	0	(51 059)
France	7.5369	9 584 297	1 642 900	1 405 212	12 632 409	12 632 740	0	0	0	(331)
Gabon	0.0270	17 026	4 780	5 025	26 831	24 949	0	0	1 881	1 881
Gambia	0.0100	10 417	2 104	1 865	14 386	458	9 959	2 104	1 865	13 928
Georgia	0.0100	23 320	2 104	1 865	27 289	27 289	0	0	0	0
Germany	9.6230	13 605 447	2 125 409	1 794 138	17 524 994	17 525 417	0	0	0	(424)
Ghana	0.0189	11 312	3 038	3 517	17 867	16 169	0	0	1 699	1 699
Greece	0.8597	812 867	186 373	160 294	1 159 534	1 159 572	0	0	0	(38)
Grenada	0.0100	10 417	2 104	1 865	14 386	7 921	2 496	2 104	1 865	6 465
Guatemala	0.0364	40 507	7 714	6 784	55 005	52 051	0	0	2 954	2 954
Guinea	0.0100	10 690	2 104	1 865	14 659	94	10 596	2 104	1 865	14 565
Guinea-Bissau	0.0100	10 417	2 104	1 865	14 386	94	10 323	2 104	1 865	14 292
Guyana	0.0100	10 417	2 104	1 865	14 386	15 095	0	0	0	(710)
Haiti	0.0100	10 552	2 104	1 865	14 521	14 519	0	0	2	2
Honduras	0.0108	10 870	2 245	2 010	15 125	14 159	0	0	966	966
Hungary	0.3585	228 635	78 107	66 831	373 573	389 489	0	0	0	(15 917)
Iceland	0.0364	53 907	9 657	6 784	70 348	72 490	0	0	0	(2 141)
India	0.8975	621 974	168 557	167 329	957 860	1 047 076	0	0	0	(89 215)
Indonesia	0.4663	272 740	82 098	86 931	441 769	441 790	0	0	0	(21)
Iraq	0.0916	65 524	12 419	17 085	95 028	86 520	0	0	8 509	8 509
Ireland	0.5633	546 662	128 389	105 020	780 071	816 143	0	0	0	(36 072)
Italy	5.9940	7 772 701	1 324 536	1 117 537	10 214 774	10 214 981	0	0	0	(207)
Jamaica	0.0148	13 947	3 503	2 764	20 214	20 213	0	0	0	0
Japan	14.5982	24 295 290	3 275 146	2 721 734	30 292 170	30 292 812	0	0	0	(642)
Jordan	0.0296	15 959	5 063	5 527	26 549	28 929	0	0	0	(2 379)
Kenya	0.0175	14 138	3 509	3 266	20 913	20 986	0	0	0	(73)
Kiribati	0.0100	8 065	2 104	1 865	12 034	12 034	0	0	0	0
Kuwait	0.3679	272 118	75 215	68 590	415 923	470 083	0	0	0	(34 160)

States parties	2016 scale of assessments (percentage)	Contributions assessed: Previous financial periods (1996-2012)	Last financial period 2013-2014	Current financial period[a] 2015-2016	Total[a]	Collections	Contributions outstanding: Previous financial periods[b] (1996-2012)	Last financial period (2013-2014)	Current financial period (2015-2016)	Total outstanding[c]
Lao People's Democratic Republic	0.0100	9 645	2 104	1 865	13 614	13 614	0	0	0	0
Latvia	0.0633	21 407	11 939	11 809	45 155	51 164	0	0	0	(6 009)
Lebanon	0.0566	36 528	10 536	10 552	57 616	57 619	0	0	0	(3)
Lesotho	0.0100	5 251	2 104	1 865	9 220	0	5 251	2 104	1 865	9 220
Liberia	0.0100	3 971	2 104	1 865	7 940	1 063	2 908	2 104	1 865	6 877
Lithuania	0.0984	37 634	19 373	18 340	75 347	75 347	0	0	0	(0)
Luxembourg	0.1092	102 123	23 977	20 351	146 451	146 455	0	0	0	(4)
Madagascar	0.0100	8 758	2 104	1 865	12 727	11 823	0	0	904	904
Malawi	0.0100	2 239	2 104	1 865	6 208	0	2 239	2 104	1 865	6 208
Malaysia	0.3787	311 823	74 961	70 600	457 384	496 248	0	0	0	(38 864)
Maldives	0.0100	9 115	2 104	1 865	13 084	10 219	0	1 000	1 865	2 865
Mali	0.0100	10 616	2 104	1 865	14 585	14 532	0	0	53	53
Malta	0.0216	23 073	4 628	4 020	31 721	33 574	0	0	0	(1 853)
Marshall Islands	0.0100	10 417	2 104	1 865	14 386	7 301	3 115	2 104	1 865	7 084
Mauritania	0.0100	10 417	2 104	1 865	14 386	7 158	3 259	2 104	1 865	7 228
Mauritius	0.0175	16 099	3 370	3 266	22 735	24 133	0	0	0	(1 398)
Mexico	2.4822	2 613 895	588 178	462 793	3 664 866	3 664 973	0	0	0	(109)
Micronesia (Federated States of)	0.0100	10 417	2 104	1 865	14 386	15 295	0	0	0	(909)
Monaco	0.0162	10 759	2 754	3 015	16 528	16 528	0	0	0	0
Mongolia	0.0100	10 552	2 104	1 865	14 521	14 689	0	0	0	(168)
Montenegro	0.0100	5 660	2 104	1 865	9 629	9 629	0	0	0	0
Morocco	0.0835	34 057	16 841	15 577	66 475	66 479	0	0	0	(4)
Mozambique	0.0100	10 219	2 104	1 865	14 188	11 444	0	880	1 865	2 745
Myanmar	0.0135	13 248	2 470	2 512	18 230	19 428	0	0	0	(1 198)
Namibia	0.0135	11 691	2 667	2 512	16 870	15 619	0	0	1 251	1 251
Nauru	0.0100	10 417	2 104	1 865	14 386	479	9 938	2 104	1 865	13 907
Nepal	0.0100	9 866	2 104	1 865	13 835	10 089	0	1 881	1 865	3 746
Netherlands	2.2289	2 669 107	491 992	415 559	3 576 658	3 576 756	0	0	0	(98)

States parties	2016 scale of assessments (percentage)	Contributions assessed: Previous financial periods (1996-2012)	Last financial period 2013-2014	Current financial period[a] 2015-2016	Total[a]	Collections	Contributions outstanding: Previous financial periods[b] (1996-2012)	Last financial period (2013-2014)	Current financial period (2015-2016)	Total outstanding[c]
New Zealand	0.3409	368 544	73 765	63 565	505 874	537 237	0	0	0	(31 363)
Nicaragua	0.0100	9 385	2 104	1 865	13 354	14 287	0	0	0	(933)
Niger	0.0100	0	1 578	1 865	3 443	0	0	1 578	1 865	3 443
Nigeria	0.1213	85 265	23 588	22 612	131 465	108 822	0	30	22 612	22 642
Niue[d]	0.0100	5 660	2 104	1 865	9 629	8 700	0	0	929	929
Norway	1.1468	1 085 973	241 560	213 809	1 541 342	1 541 392	0	0	0	(50)
Oman	0.1375	102 367	26 400	25 627	154 394	168 024	0	0	0	(13 631)
Pakistan	0.1145	93 526	23 434	21 356	138 316	95 777	0	21 183	21 356	42 539
Palau	0.0100	10 310	2 104	1 865	14 279	11 263	0	1 151	1 865	3 016
Panama	0.0350	28 671	6 740	6 533	41 944	39 875	0	0	2 069	2 069
Papua New Guinea	0.0100	11 039	2 104	1 865	15 008	14 131	0	0	877	877
Paraguay	0.0135	16 861	2 470	2 512	21 843	11 512	5 349	2 470	2 512	10 331
Philippines	0.2075	131 739	34 330	38 692	204 761	204 769	0	0	0	(9)
Poland	1.2411	670 684	245 521	231 397	1 147 602	1 244 805	0	0	0	(97 203)
Portugal	0.6387	696 716	138 136	119 090	953 942	997 198	0	0	0	(43 257)
Qatar	0.2816	91 766	48 375	52 510	192 651	192 664	0	0	0	(13)
Republic of Korea	2.6870	2 684 392	596 413	500 982	3 781 787	3 781 907	0	0	0	(118)
Republic of Moldova	0.0100	5 464	2 104	1 865	9 433	10 297	0	0	0	(864)
Romania	0.3045	131 247	56 615	56 781	244 643	265 660	0	0	0	(21 016)
Russian Federation	3.2854	2 133 902	568 076	612 535	3 314 513	3 700 273	0	0	0	(385 760)
Saint Kitts and Nevis	0.0100	10 417	2 104	1 865	14 386	13 729	0	0	657	657
Saint Lucia	0.0100	10 417	2 104	1 865	14 386	14 371	0	0	15	15
Saint Vincent and the Grenadines	0.0100	10 417	2 104	1 865	14 386	11 632	0	890	1 865	2 755
Samoa	0.0100	10 417	2 104	1 865	14 386	15 250	0	0	0	(864)
Sao Tome and Principe	0.0100	10 417	2 104	1 865	14 386	94	10 323	2 104	1 865	14 292
Saudi Arabia	1.1643	1 056 553	237 714	217 076	1 511 343	1 501 540	0	0	9 803	9 803
Senegal	0.0100	11 099	2 104	1 865	15 068	15 068	0	0	0	(0)
Serbia	0.0539	45 751	10 807	10 050	66 608	66 608	0	0	0	(0)

States parties	2016 scale of assessments (percentage)	Contributions assessed: Previous financial periods (1996-2012)	Last financial period 2013-2014	Current financial period[a] 2015-2016	Total[a]	Collections	Contributions outstanding: Previous financial periods[b] (1996-2012)	Last financial period (2013-2014)	Current financial period (2015-2016)	Total outstanding[c]
Seychelles	0.0100	10 552	2 104	1 865	14 521	14 521	0	0	0	(0)
Sierra Leone	0.0100	10 417	2 104	1 865	14 386	14 386	0	0	0	0
Singapore	0.5175	483 311	100 948	96 478	680 737	734 959	0	0	0	(54 221)
Slovakia	0.2304	103 548	43 957	42 962	190 467	209 198	0	0	0	(18 731)
Slovenia	0.1348	128 046	28 476	25 124	181 646	181 653	0	0	0	(6)
Solomon Islands	0.0100	10 022	2 104	1 865	13 991	8 333	1 689	2 104	1 865	5 658
Somalia	0.0100	10 417	2 104	1 865	14 386	94	10 323	2 104	1 865	14 292
South Africa	0.5013	496 763	106 184	93 463	696 410	738 489	0	0	0	(42 079)
Spain	4.0063	4 117 103	862 510	746 951	5 726 564	5 651 938	0	0	74 627	74 627
Sri Lanka	0.0337	23 965	6 183	6 282	36 430	21 856	2 109	6 183	6 282	14 574
State of Palestine	0.0100	0	0	1 865	1 865	0	0	0	1 865	1 865
Sudan	0.0135	13 230	2 806	2 512	18 548	1 060	12 170	2 806	2 512	17 488
Suriname	0.0100	9 944	2 104	1 865	13 913	8 320	1 624	2 104	1 865	5 593
Swaziland	0.0100	253	2 104	1 865	4 222	0	253	2 104	1 865	4 222
Sweden	1.2937	1 614 305	283 801	241 194	2 139 300	2 139 300	0	0	0	0
Switzerland	1.4109	543 445	305 298	263 053	1 111 796	1 111 859	0	0	0	(63)
Thailand	0.3221	48 789	62 898	60 047	171 725	207 267	0	0	0	(35 542)
The former Yugoslav Republic of Macedonia	0.0108	10 891	2 187	2 010	15 088	13 126	0	0	1 962	1 962
Timor-Leste	0.0100	0	2 104	1 865	3 969	4 105	0	0	0	(136)
Togo	0.0100	10 484	2 104	1 865	14 453	14 978	0	0	0	(524)
Tonga	0.0100	10 417	2 104	1 865	14 386	15 224	0	0	0	(838)
Trinidad and Tobago	0.0593	39 009	12 346	11 054	62 409	57 108	0	0	5 301	5 301
Tunisia	0.0485	46 313	9 269	9 045	64 627	64 629	0	0	0	(2)
Tuvalu	0.0100	8 065	2 104	1 865	12 034	7 449	616	2 104	1 865	4 585
Uganda	0.0100	10 825	2 104	1 865	14 794	11 005	0	1 924	1 865	3 789
Ukraine	0.1334	103 469	26 114	24 873	154 456	154 461	0	0	0	(5)

States parties	2016 scale of assessments (percentage)	Contributions assessed: Previous financial periods (1996-2012)	Last financial period 2013-2014	Current financial period[d] 2015-2016	Total[a]	Collections	Contributions outstanding: Previous financial periods[b] (1996-2012)	Last financial period (2013-2014)	Current financial period (2015-2016)	Total outstanding[c]
United Kingdom of Great Britain and Northern Ireland	6.9790	8 881 319	1 650 931	1 301 197	11 833 447	11 833 754	0	0	0	(307)
United Republic of Tanzania	0.0121	10 870	2 386	2 261	15 517	15 544	0	0	0	(27)
Uruguay	0.0701	66 153	11 122	13 064	90 339	83 833	0	0	6 506	6 506
Vanuatu	0.0100	9 558	2 104	1 865	13 527	15 794	0	0	0	(2 267)
Viet Nam	0.0566	30 191	10 536	10 552	51 279	58 536	0	0	0	(7 257)
Yemen	0.0135	12 856	2 806	2 512	18 174	10 946	1 909	2 806	2 512	7 227
Zambia	0.0100	10 616	2 104	1 865	14 585	94	10 522	2 104	1 865	14 491
Zimbabwe	0.0100	12 221	2 104	1 865	16 190	2 632	9 589	2 104	1 865	13 558
Total	**100.05**	**109 916 661**	**21 239 120**	**18 817 600**	**149 973 352**	**151 398 730**	**183 734**	**113 177**	**714 286**	**1 011 197**

Abbreviation: n.a., not applicable.

Note: Nine States parties have not paid any contributions towards the budgets of the Tribunal.

[a] Total subject to rounding differences.

[b] A total of 12 States parties have not contributed in full towards the period 1996-2004. The amount outstanding for that period is €38,317.

[c] Figures in brackets indicate credits being carried forward towards 2017 (€2,436,580).

[d] Not a member of the United Nations; assessed with the floor rate.

[e] Agreed contributions in accordance with the Financial Regulations of the Tribunal. For the period 2015-2016, see SPLOS/275.

Appendix V

Performance reports for grants given to the International Tribunal for the Law of the Sea

(In euros)

A. Nippon Foundation grant for the period from 1 January 2015 to 31 December 2016

	2015-2016
Income	
Grants from Nippon Foundation	460 000
Interest income	0
Gains and losses on exchange	54
Miscellaneous income	0
Net income	**460 054**
Expenditures	
Participants (subsistence allowance, travel and insurance)	243 567
Lecturers (subsistence allowance and travel)	75 531
General administrative expenses	55 991
Non-refundable taxes	1 740
Obligations	0
Total expenditures	**376 829**
Excess of income over expenditure	**83 225**
Assets	
Cash and term deposits	336 103
Accounts receivable	4 958
Prepaid expenses	10 638
Total assets	**351 699**
Liabilities	
Accounts payable	1 250
Net assets	**350 449**
Reserves	
Prior-period reserve	267 224
Excess of income over expenditure	83 225
Total reserves	**350 449**

B. Trust Fund for the Law of the Sea for the period from 1 January 2015 to 31 December 2016

	2015-2016
Income	
Contributions	61 000
Interest income	0
Gain on exchange	(77)
Net income	**60 923**
Expenditures	
Internship programme	46 970
Workshops	29 350
Bank charges	877
Total expenditures	**77 197**
Excess of income over expenditure	**(16 274)**
Assets	
Cash and term deposits	31 915
Accounts receivable	0
Total assets	**31 915**
Reserves	
Prior-period reserve	48 189
Excess of income over expenditure	(16 274)
Total reserves	**31 915**

C. China Institute of International Studies grant for the period from 1 January 2015 to 31 December 2016

	2015-2016
Income	
Contributions	0
Interest income	0
Net income	**0**
Expenditures	
Internship programme	0
International Foundation for the Law of the Sea, summer academy	0
Bank charges	336.50
Non-refundable taxes	0
Total expenditures	**336.50**
Excess of income over expenditure	**(336.50)**
Assets	
Cash and term deposits	15 541.98
Accounts receivable	0 00
Total assets	**15 541.98**
Liabilities	
Accounts payable	0
Net assets	**15 541.98**
Reserves	
Prior-period reserve	15 878.48
Excess of income over expenditure	(336.50)
Total reserves	**15 541.98**

D. Trust Fund for the twentieth anniversary of the Tribunal for the period from 1 January 2015 to 31 December 2016

Income	
Contributions, Korea Maritime Institute	50 000
Contributions, Japan	109 443
Contributions, Germany	7 000
Gain on exchange	18.50
Total	**166 461.50**
Expenditures	
Interpretation	2 069
Other temporary assistance	9 357.84
Travel of Tribunal staff to the Meeting of States Parties	3 618.49
Speakers, travel and accommodation	44 564.80
Brochures, digest guides	40 014
Courier services	4 077.44
Rental of cars and office equipment	3 598.92
Office supplies and invitations	6 440.42
Hospitality	24 390.31
Bank charges	178.50
Non-refundable taxes	105.26
Total	**138 414.98**
Excess of income over expenditure	**28 046.52**
Assets	
Cash and term deposits	24 851.74
Accounts receivable	10 194.78
Prepaid expenses	0
Total assets	**35 046.52**
Liabilities	
Obligations	7 000
Net assets	**28 046.52**
Reserves	
Prior-period reserve	0
Excess of income over expenditure	28 046.52
Total reserves	**28 046.52**

Appendix VI

Audit procedures and results of additional audit scope for the period from 1 January 2015 to 31 December 2016

According to the assignment, we performed audit procedures concerning the following aspects of operating procedures in addition to our audit of the financial statements for the financial period from 1 January 2015 to 31 December 2016:

(a) Whether expenses incurred during this financial period were in accordance with the appropriations approved by the Meeting of States Parties;

(b) Whether expenditures incurred had been appropriately authorized by the party designated for that purpose in the Rules of the Tribunal or its Financial Regulations;

(c) Whether staff and persons being paid by the Tribunal had been recruited or engaged in the manner provided for in the Rules of the Tribunal or its Staff Regulations and Rules;

(d) Whether goods and services had been procured in accordance with the procedures provided for in the Financial Regulations and Rules of the Tribunal;

(e) Whether goods and services which had been procured were in line with the approved budget, properly recorded and not excessive, having regard to circumstances and the functions of the Tribunal;

(f) Whether the Nippon Foundation grant, the Trust Fund for the Law of the Sea, the CIIS grant and the Trust Fund for the twentieth anniversary of the Tribunal, maintained in separate special accounts, were administered in accordance with the relevant memorandums and terms of reference.

As part of our audit of the financial statements the following additional procedures were performed by us:

1. Approval of expenses

As instructed, we have audit procedures to determine whether the expenses incurred during the financial period 2015-2016 are in accordance with the appropriations approved by the Meeting of States Parties in all material respects.

From the approved budget for the financial period 2015-2016 amounting to €18,817,600, a total amount of €18,662,719 was spent against approved budget lines, resulting in savings of €154,881. Although, the overall budget was underspent, overexpenditures were incurred in some budget lines.

The Tribunal was able to finance these overexpenditures by using savings from other budget lines in the same section, in accordance with financial rule 104.3 of the Tribunal.

Also there were some overexpenditures which could not be balanced from savings from other budget lines in the same section. In accordance with financial regulation 4.6, it is necessary to get an authorization from the Meeting of States

Parties in such cases. This request was made to the twenty-sixth Meeting of States Parties in June 2016.

2. Authorization of expenditures

We performed audit procedures concerning the procedures for the authorization of expenditures in the period 2015-2016, as outlined in the Financial Regulations and Rules of the Tribunal, and conducted tests on a sample basis, to determine whether those procedures had been strictly followed by the Tribunal in all material respects.

As a result of the work done, we found that the procedures for the authorization of expenditures had been carried out in all material respects in accordance with the Rules of the Tribunal and the Financial Regulations and Rules of the Tribunal.

3. Procedures for recruiting/engaging staff

In the period 2015-2016, the Tribunal recruited one new staff member. We have audit procedures to determine if the procedures for recruiting and engaging of the new staff member were in line with the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal in all material respects.

As a result of the work done, we found that the Tribunal had carried out the procedures for recruiting and engaging staff in all material respects in accordance with the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal.

4. Procedures for procurement of goods and services

We conducted audit procedures to determine whether the procedures followed by the Tribunal in the order process had been in line with the Financial Regulations and Rules of the Tribunal (i.e., whether they had included a request for bids or tenders, fair analysis of tenders and written contracts) and conducted tests, on a sample basis, to determine whether those procedures had been followed by the Tribunal in all material respects.

As a result of the work done we found that the procedures for procurement of goods and services had been in all material respects carried out in accordance with the Financial Regulations and Rules of the Tribunal.

5. Examination of whether goods and services which have been procured are in line with the approved budget, properly recorded and not excessive, having regard to circumstances and the functions of the Tribunal

We conducted audit procedures to determine whether: (a) the expenditures reported for the financial period had been properly included in the statement of income, expenditures and changes in reserves and fund balances in all material respects and had been charged to the appropriate budget line in all material respects; and (b) the goods and services procured had been in line with the approved budget in all material respects.

As a result of the work done, we found that the expenditures for the financial period had in all material respects been properly included in the statement of

income, expenditures and changes in reserves and fund balances and had been charged to appropriate budget line in all material respects. The overexpenditures in the financial period could be reasonably explained and had been compensated for by savings under other budget lines.

6. Examination regarding the Nippon Foundation grant, the Trust Fund for the Law of the Sea and the China Institute of International Studies grant

We conducted audit procedures to determine whether the Nippon Foundation grant, the Trust Fund for the Law of the Sea, the CIIS grant and the Trust Fund for the twentieth anniversary of the Tribunal, which are maintained in separate trustee accounts, are in all material respects administered in accordance with the respective agreements.

Nippon Foundation grant

Pursuant to the agreements, the Nippon Foundation contributed an amount of €460,000 in the period 2015-2016 to the Nippon Foundation's International Tribunal for the Law of the Sea capacity-building and training programme on dispute settlement under the United Nations Convention on the Law of the Sea. The purpose of the grant is to finance the expenses of participants from developing countries in the programme. The Nippon Foundation grant was invested in a special bank account.

During the financial period 2015-2016, the sum of €376,829 was withdrawn from the Nippon Foundation grant to provide funding for the programme's activities. In the financial period, participants from several developing countries took part in the programme.

As at 31 December 2016, the special bank account of the Nippon Foundation grant shows a balance of €350,449.

We also refer to the performance report of the Nippon Foundation grant in appendix V.

Trust Fund for the Law of the Sea

Total contributions in the amount of €61,000 were made to the Trust Fund as explained in the financial report in appendix V. A special bank account was set up for the Trust Fund.

During the financial period 2015-2016, an amount of €77,197 was withdrawn to provide funding to the internship programme of the International Tribunal for the Law of the Sea and the regional workshops.

The special bank account showed a balance of €31,915 as at 31 December 2016.

We also refer to the performance report of the Trust Fund in appendix V.

China Institute of International Studies grant

According to the memorandum of understanding dated 3 May 2012 between CIIS and the International Tribunal for the Law of the Sea, the Institute provided a

lump sum of €100,000 as financial assistance for supporting the continuation of the International Tribunal for the Law of the Sea internship programme, the summer academy on the law of the sea, maritime law and for implementing other programmes.

During the financial period 2015-2016, an amount of €336.50 was withdrawn from the CIIS grant as bank charges.

The CIIS grant was invested in a special bank account, which showed a balance at 31 December 2016 of €15,541.98.

We also refer to the performance report of the CIIS grant in appendix V.

Trust Fund for the twentieth Anniversary of the Tribunal

The Trust Fund for the twentieth Anniversary of the Tribunal was set up to provide financial assistance for the organization of events and activities on the occasion of the twentieth anniversary of the Tribunal in 2016. Contributions were received from the Korea Maritime Institute (€25,000 on 24 May 2016 and €25,000 on 4 July 2016), from the Government of Japan (€109,443 on 28 July 2016) and from the Government of Germany (€7,000 on 6 December 2016).

The special bank account showed a balanced of €28,046.52 at 31 December 2016.

We also refer to the performance report of the twentieth Anniversary of the Tribunal Grant in appendix V.

Appendix VII

General engagement terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (Public Audit Firms) as well as special conditions for increased liability

[For the text of appendix VII, see SPLOS/192, annex I, appendix VI.]